



HEALTH QUARTERLY STATEMENT

AS OF MARCH 31, 2014  
OF THE CONDITION AND AFFAIRS OF THE

Group Hospitalization and Medical Services, Inc.

NAIC Group Code 0380 0380 NAIC Company Code 53007 Employer's ID Number 53-0078070  
(Current) (Prior)

Organized under the Laws of District of Columbia, State of Domicile or Port of Entry DC

Country of Domicile United States of America

Licensed as business type: HMDI

Is HMO Federally Qualified? Yes [ ] No [ ]

Incorporated/Organized 08/11/1939 Commenced Business 03/15/1934

Statutory Home Office 840 First Street NE Washington, DC, US 20065  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 10455 Mill Run Circle  
(Street and Number)  
Owings Mills, MD, US 21117 410-581-3000  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 10455 Mill Run Circle Owings Mills, MD, US 21117  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 10455 Mill Run Circle  
(Street and Number)  
Owings Mills, MD, US 21117 410-998-7011  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.carefirst.com

Statutory Statement Contact William Vincent Stack 410-998-7011  
(Name) (Area Code) (Telephone Number)  
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(E-mail Address) (FAX Number)

OFFICERS

President and Chief Executive Officer Chester Emerson Burrell Corp. Treasurer & VP Jeanne Ann Kennedy

Corp. Secretary, Exec.VP & Gen. Counsel Meryl Davis Burgin

OTHER

Gregory Mark Chaney EVP, CFO	Fred Adrian Walton Plumb EVP, SBU - FEP	William Scott Gould EVP, Medical Affairs
Michael Thomas Avotins EVP, Large Group SBU	Harry Dietz Fox EVP, Technical & Ops Support	Steven Jon Margolis EVP, Small & Medium Group SBU
Wanda Kay Oneferu-Bey EVP, Consumer Direct SBU	Michael Bruce Edwards SVP, Networks Mgmt	Gwendolyn Denise Skillern SVP, General Auditor
Rita Ann Costello SVP, Strategic Marketing	Maria Harris Tildon SVP, Public Policy	Jon Paul Shematek, M.D. SVP, Chief Medical Officer
Kenny Waitem Kan SVP, Chief Actuary	Jennifer Ann Cryor Baldwin SVP, Patient Centered Medical Home (PCMH)	Michelle Judith Wright SVP, Human Resources

DIRECTORS OR TRUSTEES

Shirley Marcus Allen #	Clifford Edward Barnes #	Faye Ford Fields
Artis Gail Hampshire-Cowan	Polly Povejsil Heath #	Bernard Keith Jarvis
Wendell Lee Johns	Robert Carl Kovarik Jr. #	Jack Allan Meyer
Beverly Lee Perry #	Elena Victoria Rios	Patricia Amelia Rodriguez
Robert Lee Sloan		

State of Maryland SS:  
County of Baltimore

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Chester Emerson Burrell  
President and Chief Executive Officer

Meryl Davis Burgin  
Corp. Secretary, Exec. VP & Gen. Counsel

Jeanne Ann Kennedy  
Corp. Treasurer & VP

Subscribed and sworn to before me this

13th day of MAY 2014

- a. Is this an original filing? ..... Yes [ X ] No [ ]
- b. If no,
1. State the amendment number.....
  2. Date filed .....
  3. Number of pages attached.....



ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	520,187,953	0	520,187,953	511,476,700
2. Stocks:				
2.1 Preferred stocks .....	0	0	0	0
2.2 Common stocks .....	116,204,317	0	116,204,317	121,819,719
3. Mortgage loans on real estate:				
3.1 First liens .....	0	0	0	0
3.2 Other than first liens.....	0	0	0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ .....0 encumbrances) .....	0	0	0	0
4.2 Properties held for the production of income (less \$ .....0 encumbrances) .....	0	0	0	0
4.3 Properties held for sale (less \$ .....0 encumbrances) .....	0	0	0	0
5. Cash (\$ .....(112,837,660) ), cash equivalents (\$ .....0 ) and short-term investments (\$ .....149,872,909 ) .....	37,035,249	0	37,035,249	5,226,484
6. Contract loans (including \$ .....0 premium notes) .....	0	0	0	0
7. Derivatives .....	0	0	0	0
8. Other invested assets .....	426,445,210	166,667	426,278,543	435,518,247
9. Receivables for securities .....	0	0	0	0
10. Securities lending reinvested collateral assets .....	0	0	0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	1,099,872,729	166,667	1,099,706,062	1,074,041,150
13. Title plants less \$ .....0 charged off (for Title insurers only) .....	0	0	0	0
14. Investment income due and accrued .....	3,408,734	0	3,408,734	3,883,879
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	262,739,916	5,907,376	256,832,540	231,616,283
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ .....0 earned but unbilled premiums) .....	0	0	0	0
15.3 Accrued retrospective premiums .....	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	17,600,616	0	17,600,616	16,926,028
16.2 Funds held by or deposited with reinsured companies .....	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts .....	770,030	0	770,030	846,884
17. Amounts receivable relating to uninsured plans .....	64,048,277	2,682,300	61,365,977	64,824,219
18.1 Current federal and foreign income tax recoverable and interest thereon .....	11,859,230	0	11,859,230	11,858,431
18.2 Net deferred tax asset .....	0	0	0	0
19. Guaranty funds receivable or on deposit .....	0	0	0	0
20. Electronic data processing equipment and software .....	146,449,093	127,042,736	19,406,357	13,905,916
21. Furniture and equipment, including health care delivery assets (\$ .....0 ) .....	5,839,028	5,839,028	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates .....	18,532,379	0	18,532,379	10,932,605
24. Health care (\$ .....103,188,490 ) and other amounts receivable .....	811,353,112	13,480,610	797,872,502	785,996,334
25. Aggregate write-ins for other than invested assets .....	101,607,594	100,392,408	1,215,186	1,215,189
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	2,544,080,738	255,511,125	2,288,569,613	2,216,046,918
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0	0
28. Total (Lines 26 and 27)	2,544,080,738	255,511,125	2,288,569,613	2,216,046,918
DETAILS OF WRITE-INS				
1101. ....	0	0	0	0
1102. ....	0	0	0	0
1103. ....	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above) .....	0	0	0	0
2501. Other Assets .....	1,215,186	0	1,215,186	1,215,189
2502. Prepaid Expenses – Non-Admitted .....	50,825,896	50,825,896	0	0
2503. Pension– Prepaid .....	49,566,512	49,566,512	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above) .....	101,607,594	100,392,408	1,215,186	1,215,189

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ .....10,713,742 reinsurance ceded) .....	277,694,934	13,573,173	291,268,107	252,665,668
2. Accrued medical incentive pool and bonus amounts .....	0	0	0	0
3. Unpaid claims adjustment expenses .....	9,935,028	485,604	10,420,632	10,176,470
4. Aggregate health policy reserves, including the liability of \$ .....0 for medical loss ratio rebate per the Public Health Service Act .....	695,624,012	0	695,624,012	681,174,397
5. Aggregate life policy reserves .....	0	0	0	0
6. Property/casualty unearned premium reserve .....	0	0	0	0
7. Aggregate health claim reserves .....	0	0	0	0
8. Premiums received in advance .....	51,618,502	0	51,618,502	50,122,646
9. General expenses due or accrued .....	114,317,638	0	114,317,638	75,312,788
10.1 Current federal and foreign income tax payable and interest thereon (including \$ .....0 on realized gains (losses)) .....	0	0	0	0
10.2 Net deferred tax liability .....	20,797,099	0	20,797,099	22,352,282
11. Ceded reinsurance premiums payable .....	21,751,163	0	21,751,163	24,778,236
12. Amounts withheld or retained for the account of others.....	33,458,238	0	33,458,238	32,978,186
13. Remittances and items not allocated .....	20,319,157	0	20,319,157	1,898,216
14. Borrowed money (including \$ .....0 current) and interest thereon \$ .....0 (including \$ .....0 current) .....	0	0	0	0
15. Amounts due to parent, subsidiaries and affiliates .....	80,071,517	0	80,071,517	59,913,386
16. Derivatives .....	0	0	0	0
17. Payable for securities .....	0	0	0	0
18. Payable for securities lending .....	0	0	0	0
19. Funds held under reinsurance treaties (with \$ .....0 authorized reinsurers, \$ .....0 unauthorized reinsurers and \$ .....0 certified reinsurers).....	0	0	0	0
20. Reinsurance in unauthorized and certified (\$ .....0 ) companies .....	0	0	0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates .....	0	0	0	0
22. Liability for amounts held under uninsured plans .....	19,504,921	0	19,504,921	16,774,834
23. Aggregate write-ins for other liabilities (including \$ .....4,388,968 current) .....	47,016,862	0	47,016,862	53,148,334
24. Total liabilities (Lines 1 to 23) .....	1,392,109,071	14,058,777	1,406,167,848	1,281,295,443
25. Aggregate write-ins for special surplus funds .....	XXX	XXX	17,500,000	0
26. Common capital stock .....	XXX	XXX	0	0
27. Preferred capital stock .....	XXX	XXX	0	0
28. Gross paid in and contributed surplus .....	XXX	XXX	0	0
29. Surplus notes .....	XXX	XXX	0	0
30. Aggregate write-ins for other than special surplus funds .....	XXX	XXX	0	0
31. Unassigned funds (surplus) .....	XXX	XXX	864,901,767	934,751,475
32. Less treasury stock, at cost:				
32.1 .....0 shares common (value included in Line 26 \$ .....0 ) .....	XXX	XXX	0	0
32.2 .....0 shares preferred (value included in Line 27 \$ .....0 ) .....	XXX	XXX	0	0
33. Total capital and surplus (Lines 25 to 31 minus Line 32) .....	XXX	XXX	882,401,767	934,751,475
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	2,288,569,615	2,216,046,918
DETAILS OF WRITE-INS				
2301. Amounts Withheld for Escheatment .....	10,798,066	0	10,798,066	9,095,548
2302. Reinsurance Payable .....	789,613	0	789,613	810,113
2303. Other Liabilities .....	35,429,183	0	35,429,183	43,242,673
2398. Summary of remaining write-ins for Line 23 from overflow page .....	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	47,016,862	0	47,016,862	53,148,334
2501. Special Surplus 2015 Health Insurer Tax .....	XXX	XXX	17,500,000	0
2502. ....	XXX	XXX	0	0
2503. ....	XXX	XXX	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	XXX	XXX	17,500,000	0
3001. ....	XXX	XXX	0	0
3002. ....	XXX	XXX	0	0
3003. ....	XXX	XXX	0	0
3098. Summary of remaining write-ins for Line 30 from overflow page .....	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months .....	XXX	2,312,683	2,350,392	8,972,558
2. Net premium income ( including \$ .....0 non-health premium income).....	XXX	820,577,211	703,370,668	3,095,809,333
3. Change in unearned premium reserves and reserve for rate credits.....	XXX	( 14,449,615)	69,623,397	45,946,685
4. Fee-for-service (net of \$ .....0 medical expenses).....	XXX	0	0	0
5. Risk revenue .....	XXX	0	0	0
6. Aggregate write-ins for other health care related revenues .....	XXX	2,275,232	2,962,020	16,385,253
7. Aggregate write-ins for other non-health revenues .....	XXX	1,192,608	637,785	3,729,154
8. Total revenues (Lines 2 to 7) .....	XXX	809,595,436	776,593,870	3,161,870,425
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits .....	22,232,176	476,521,022	500,941,823	1,919,761,619
10. Other professional services .....	918,975	45,296,692	27,677,257	183,863,497
11. Outside referrals .....	10,253,553	10,253,553	5,985,399	40,786,618
12. Emergency room and out-of-area .....	687,365	17,176,086	11,219,092	69,411,341
13. Prescription drugs .....	0	182,337,840	164,611,934	709,848,954
14. Aggregate write-ins for other hospital and medical .....	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts .....	0	0	0	0
16. Subtotal (Lines 9 to 15) .....	34,092,069	731,585,193	710,435,505	2,923,672,029
<b>Less:</b>				
17. Net reinsurance recoveries .....	0	30,473,708	32,473,733	124,297,746
18. Total hospital and medical (Lines 16 minus 17) .....	34,092,069	701,111,485	677,961,772	2,799,374,283
19. Non-health claims (net) .....	0	0	0	0
20. Claims adjustment expenses, including \$ .....14,861,401 cost containment expenses .....	0	34,934,392	37,258,162	144,404,857
21. General administrative expenses .....	0	122,533,009	53,254,553	253,957,314
22. Increase in reserves for life and accident and health contracts (including \$ .....0 increase in reserves for life only) .....	0	0	0	0
23. Total underwriting deductions (Lines 18 through 22).....	34,092,069	858,578,886	768,474,487	3,197,736,454
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	(48,983,450)	8,119,383	(35,866,029)
25. Net investment income earned .....	0	3,673,420	2,988,830	14,209,056
26. Net realized capital gains (losses) less capital gains tax of \$ .....1,052,394 .....	0	4,209,576	7,847,813	19,759,606
27. Net investment gains (losses) (Lines 25 plus 26) .....	0	7,882,996	10,836,643	33,968,662
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ .....0 ) (amount charged off \$ .....0 )].....	0	0	0	0
29. Aggregate write-ins for other income or expenses .....	0	465,954	127	340,974
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	XXX	(40,634,500)	18,956,153	(1,556,393)
31. Federal and foreign income taxes incurred .....	XXX	(1,053,193)	1,842,622	(10,539,059)
32. Net income (loss) (Lines 30 minus 31) .....	XXX	(39,581,307)	17,113,531	8,982,666
<b>DETAILS OF WRITE-INS</b>				
0601. FEP Performance Incentive .....	XXX	2,242,000	2,937,000	16,268,743
0602. Trigon network fee – Med D .....	XXX	30,033	25,020	91,098
0603. Med D admin Reimbursement .....	XXX	3,199	0	25,412
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698)(Line 6 above) .....	XXX	2,275,232	2,962,020	16,385,253
0701. FEP Bridge .....	XXX	1,192,608	637,785	3,729,154
0702. ....	XXX	0	0	0
0703. ....	XXX	0	0	0
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX	0	0	0
0799. Totals (Lines 0701 through 0703 plus 0798)(Line 7 above) .....	XXX	1,192,608	637,785	3,729,154
1401. ....	0	0	0	0
1402. ....	0	0	0	0
1403. ....	0	0	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498)(Line 14 above) .....	0	0	0	0
2901. Miscellaneous .....	0	464,433	2,865	498,308
2902. Regulatory fines and fees .....	0	1,521	(2,738)	(157,334)
2903. ....	0	0	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998)(Line 29 above) .....	0	465,954	127	340,974

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
CAPITAL AND SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year.....	934,751,475	941,070,954	941,070,954
34. Net income or (loss) from Line 32 .....	(39,581,307)	17,113,531	8,982,666
35. Change in valuation basis of aggregate policy and claim reserves .....	0	0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ ..... (898,729)	(10,908,773)	14,603,407	30,090,730
37. Change in net unrealized foreign exchange capital gain or (loss) .....	0	0	0
38. Change in net deferred income tax .....	656,454	262,810	(11,798,087)
39. Change in nonadmitted assets .....	(2,516,079)	(5,878,181)	(4,346,501)
40. Change in unauthorized and certified reinsurance .....	0	0	0
41. Change in treasury stock .....	0	0	0
42. Change in surplus notes .....	0	0	0
43. Cumulative effect of changes in accounting principles.....	0	(1,696,000)	(2,174,001)
44. Capital Changes:			
44.1 Paid in .....	0	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0	0
44.3 Transferred to surplus.....	0	0	0
45. Surplus adjustments:			
45.1 Paid in .....	0	0	0
45.2 Transferred to capital (Stock Dividend) .....	0	0	0
45.3 Transferred from capital .....	0	0	0
46. Dividends to stockholders .....	0	0	0
47. Aggregate write-ins for gains or (losses) in surplus .....	0	0	(27,074,286)
48. Net change in capital & surplus (Lines 34 to 47) .....	(52,349,705)	24,405,567	(6,319,479)
49. Capital and surplus end of reporting period (Line 33 plus 48)	882,401,770	965,476,521	934,751,475
DETAILS OF WRITE-INS			
4701. Change in additional liability\Intangible Assets for pension .....	0	0	(27,119,941)
4702. Miscellaneous .....	0	0	45,655
4703. ....	0	0	0
4798. Summary of remaining write-ins for Line 47 from overflow page .....	0	0	0
4799. Totals (Lines 4701 through 4703 plus 4798)(Line 47 above)	0	0	(27,074,286)

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance .....	792,110,969	678,930,374	3,110,022,104
2. Net investment income .....	5,127,647	5,441,767	20,817,591
3. Miscellaneous income .....	3,467,840	3,599,805	20,114,407
4. Total (Lines 1 to 3) .....	800,706,456	687,971,946	3,150,954,102
5. Benefit and loss related payments .....	673,207,610	591,931,273	2,787,931,991
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	98,375,777	114,779,556	380,234,261
8. Dividends paid to policyholders .....	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ .....1,052,394 tax on capital gains (losses) .....	0	(76,731)	(8,820,159)
10. Total (Lines 5 through 9) .....	771,583,387	706,634,098	3,159,346,093
11. Net cash from operations (Line 4 minus Line 10) .....	29,123,069	(18,662,152)	(8,391,991)
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	98,028,658	193,550,828	750,487,050
12.2 Stocks .....	15,000,000	20,183,668	126,886,308
12.3 Mortgage loans .....	0	0	0
12.4 Real estate .....	0	0	0
12.5 Other invested assets .....	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	4,158	0	9,628
12.7 Miscellaneous proceeds .....	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	113,032,816	213,734,496	877,382,986
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	106,913,574	175,576,748	717,279,295
13.2 Stocks .....	7,500,000	41,365,387	52,078,892
13.3 Mortgage loans .....	0	0	0
13.4 Real estate .....	0	0	0
13.5 Other invested assets .....	0	0	0
13.6 Miscellaneous applications .....	0	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	114,413,574	216,942,135	769,358,187
14. Net increase (or decrease) in contract loans and premium notes .....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	(1,380,758)	(3,207,639)	108,024,799
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes .....	0	0	0
16.2 Capital and paid in surplus, less treasury stock .....	0	0	0
16.3 Borrowed funds .....	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0	0
16.5 Dividends to stockholders .....	0	0	0
16.6 Other cash provided (applied) .....	4,066,459	(10,927,626)	(57,346,538)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) .....	4,066,459	(10,927,626)	(57,346,538)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	31,808,770	(32,797,417)	42,286,270
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year .....	5,226,484	(37,059,786)	(37,059,786)
19.2 End of period (Line 18 plus Line 19.1) .....	37,035,254	(69,857,203)	5,226,484

Note: Supplemental disclosures of cash flow information for non-cash transactions:

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EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1  Total	Comprehensive (Hospital & Medical)		4  Medicare Supplement	5  Vision Only	6  Dental Only	7  Federal Employees Health Benefit Plan	8  Title XVIII Medicare	9  Title XIX Medicaid	10  Other
		2  Individual	3  Group							
Total Members at end of:										
1. Prior Year .....	728,464	52,013	233,063	6,845	12,417	24,338	370,878	.0	.0	28,910
2. First Quarter .....	772,097	62,792	239,603	8,099	12,727	50,699	368,108	.0	.0	30,069
3. Second Quarter .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. Third Quarter .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. Current Year	0	0	0	0	0	0	0	0	0	0
6. Current Year Member Months	2,312,683	181,061	717,525	24,110	38,455	151,354	1,109,137	0	0	91,041
Total Member Ambulatory Encounters for Period:										
7. Physician .....	1,813,085	69,530	375,066	20,081	.0	.0	1,348,408	.0	.0	.0
8. Non-Physician .....	659,548	31,385	129,881	5,851	0	0	492,431	0	0	0
9. Total	2,472,633	100,915	504,947	25,932	0	0	1,840,839	0	0	0
10. Hospital Patient Days Incurred	30,508	1,512	7,784	728	0	0	20,484	0	0	0
11. Number of Inpatient Admissions	7,775	408	2,444	182	0	0	4,741	0	0	0
12. Health Premiums Written (a) .....	854,116,647	44,233,226	306,909,487	4,849,093	1,327,932	15,174,491	479,111,867	.0	.0	2,510,551
13. Life Premiums Direct .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
14. Property/Casualty Premiums Written .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
15. Health Premiums Earned .....	839,667,032	44,233,226	306,909,487	4,849,093	1,327,932	15,174,491	464,662,252	.0	.0	2,510,551
16. Property/Casualty Premiums Earned .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
17. Amount Paid for Provision of Health Care Services.....	692,819,929	31,528,396	232,620,876	3,721,528	1,074,952	10,837,743	412,862,614	.0	.0	173,820
18. Amount Incurred for Provision of Health Care Services	731,585,194	34,965,522	252,638,698	3,853,383	1,074,952	11,014,428	426,749,390	0	0	1,288,821

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$ .....0

## CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

[illegible]

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UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5  Claims Incurred in Prior Years (Columns 1 + 3)	6  Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1  On Claims Incurred Prior to January 1 of Current Year	2  On Claims Incurred During the Year	3  On Claims Unpaid Dec. 31 of Prior Year	4  On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) .....	69,765,667	180,889,350	12,192,927	86,288,451	81,958,594	74,595,003
2. Medicare Supplement .....	2,297,388	3,671,843	329,227	2,788,293	2,626,615	3,099,707
3. Dental Only .....	2,525,363	5,495,342	474,987	2,611,886	3,000,350	3,278,185
4. Vision Only .....	0	932,489	0	0	0	0
5. Federal Employees Health Benefits Plan .....	130,994,857	281,867,756	25,474,383	153,433,168	156,469,240	165,020,774
6. Title XVIII - Medicare .....	0	0	0	0	0	0
7. Title XIX - Medicaid .....	0	0	0	0	0	0
8. Other health .....	184,443	1,737,654	6,829,982	844,804	7,014,425	6,671,997
9. Health subtotal (Lines 1 to 8) .....	205,767,718	474,594,434	45,301,506	245,966,602	251,069,224	252,665,666
10. Healthcare receivables (a) .....	0	17,853,108	0	0	0	0
11. Other non-health .....	0	0	0	0	0	0
12. Medical incentive pools and bonus amounts .....	0	0	0	0	0	0
13. Totals (Lines 9-10+11+12)	205,767,718	456,741,326	45,301,506	245,966,602	251,069,224	252,665,666

(a) Excludes \$ 93,248,782 loans or advances to providers not yet expensed.

## NOTES TO FINANCIAL STATEMENTS

**1. Summary of Significant Accounting Policies****A. Accounting Practices**

The financial statements of Group Hospitalization and Medical Services, Inc. (GHMSI or the Company) are presented on the basis of accounting practices prescribed or permitted by the District of Columbia Department of Insurance, Securities and Banking (DISB).

The DISB recognizes only statutory accounting practices prescribed or permitted by the District of Columbia for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the District of Columbia Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the District of Columbia. The Company does not utilize any permitted practices.

For the three months ended March 31, 2014 and 2013, there were no differences in net income and surplus between NAIC SAP and practices prescribed by the District of Columbia.

**B. Use of Estimates in the Preparation of the Financial Statements**

No change.

**C. Accounting Policy**

No change.

**2. Accounting Changes and Corrections of Errors**

Not applicable.

**3. Business Combinations and Goodwill**

Not applicable.

**4. Discontinued Operations**

Not applicable.

**5. Investments****A. Mortgage Loans, including Mezzanine Real Estate Loans**

None.

**B. Debt Restructuring**

None.

**C. Reverse Mortgages**

None.

**D. Loan-Backed Securities**

- (1) The Company records its investment in loan-backed securities using the prospective adjustment method. Prepayment assumptions for single and multi-class mortgage-backed/other asset-backed securities are obtained from broker survey values. The Company uses IDC to determine the fair value for such securities.
- (2) The Company does not have any mortgage-backed/other asset-backed securities which are other-than-temporarily impaired where the Company intends to sell, or does not have the intent and ability to hold until recovery.
- (3) For the quarter ended March 31, 2014, the Company did not recognize other than temporary impairment in mortgage-backed/other asset-backed securities that the Company has the intent to hold, but does not expect to recover the entire amortized cost basis of the securities. At March 31, 2014, the Company did not hold any mortgage-backed or other asset-backed securities where the present value of cash flows expected to be collected is less than the amortized cost basis.
- (4) The following table shows the gross unrealized losses and fair value of the Company's mortgage-backed/other asset-backed securities with unrealized losses that are not deemed to be other than temporarily impaired, aggregated by investment category and by length of time that individual securities have been in a continuous unrealized loss position (*in thousands*).

NOTES TO FINANCIAL STATEMENTS

	Fair Value < 1 Year	Unrealized Losses < 1 Year	Fair Value > 1 Year	Unrealized Losses > 1 Year	Total Unrealized Losses
March 31, 2014					
Government sponsored enterprise mortgage-backed securities	\$ 33,473	\$ 565	\$ 31,064	\$ 1,993	\$ 2,558
Other mortgage-backed and asset- backed securities	15,056	190	15,893	679	869
Total	\$ 48,529	\$ 755	\$ 46,957	\$ 2,672	\$ 3,427

(5) No change.

E. Repurchase Agreements and/or Securities Lending Transactions

None.

F. Real Estate

None.

G. Low-Income Housing Tax Credits (LIHTC)

None.

H. Restricted Assets

None.

I. Working Capital Finance Investments

None.

6. Joint Ventures, Partnerships and Limited Liability Companies

A. – B. No change.

7. Investment Income

A. – B. No change.

8. Derivative Instruments

None.

9. Income Taxes

The Company is included in the consolidated federal income tax return of CFI. The federal statutory income tax rate for the Company is 35%. For federal income tax purposes, the Company benefits from a special deduction provided to certain BlueCross and BlueShield organizations under Internal Revenue Code Section 833(b) (the 833(b) deduction).

The 833(b) deduction results in the Company incurring income taxes at the Tentative Minimum Tax rate of 20%. As a result, the Company’s income tax provision is reduced from the statutory rate of 35% to account for the benefit of the 833(b) deduction. The Company could lose the benefit of the 833(b) deduction in the future if there is a change in the tax law, if the Company ceases to be not-for-profit, if the Company’s reserves reach certain levels, if the medical loss ratio does not exceed 85% as required under the Health Reform Legislation, or if certain other events occur. If the Company can no longer use the 833(b) deduction, the Company will incur federal income taxes at the statutory rate of 35%, net of available Alternative Minimum Tax (AMT) credits.

CFI has a written agreement, approved by the Board of Directors, which sets forth the manner in which the total combined federal income tax is allocated to each entity which is a party to the consolidated return. The tax sharing agreement calls for allocation of current federal income tax liability to the Company on the basis of the percentage of the consolidated federal income tax liability attributable to the Company computed on a separate company basis to the total consolidated federal income tax liability. The agreement also provides that to the extent the Company’s tax attributes (e.g., NOLs) reduce the consolidated federal income tax liability, CFI shall pay the Company for use of such attributes in the year utilized. Amounts due from the subsidiaries for federal income taxes are settled quarterly.

Pursuant to this agreement, the Company has the enforceable right to recoup federal income taxes paid in prior years in the event of future net losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal income taxes.

NOTES TO FINANCIAL STATEMENTS

The following table shows the components of the net deferred tax asset and deferred tax liability recognized in the Company’s financial statements by tax character (*in thousands*):

	March 31, 2014			December 31, 2013			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross deferred tax assets	156,942	23,785	180,727	156,848	25,611	182,459	94	(1,826)	(1,732)
Statutory valuation allowance adjustment	119,609	-	119,609	118,184	-	118,184	1,425	-	1,425
Adjusted gross deferred tax assets	37,333	23,785	61,118	38,664	25,611	64,275	(1,331)	(1,826)	(3,157)
Deferred tax assets nonadmitted	22,182	324	22,506	21,838	324	22,162	344	-	344
Subtotal net admitted deferred tax asset	15,151	23,461	38,612	16,826	25,287	42,113	(1,675)	(1,826)	(3,501)
Deferred tax liabilities	1,013	58,396	59,409	1,157	63,308	64,465	(144)	(4,912)	(5,056)
Net admitted deferred tax asset/(liability)	14,138	(34,935)	(20,797)	15,669	(38,021)	(22,352)	(1,531)	3,086	1,555

The amount of admitted adjusted gross deferred tax assets are as follows (*in thousands*):

	March 31, 2014			December 31, 2013			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	\$ 120	-	\$ 120	\$ -	\$ -	\$ -	\$ 120	\$ -	\$ 120
b. Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets from a, above) After application of the Threshold Limitation. (Lesser of b.i. and b.ii. Below)	10,040	-	10,040	11,040	-	11,040	\$ (1,000)	\$ -	\$ (1,000)
i. Adjusted gross DTA expected to be realized following the Balance Sheet Date	10,040	-	10,040	11,040	-	11,040	(1,000)	-	(1,000)
ii. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	NA	NA	129,449	NA	NA	140,213	NA	NA	(10,764)
c. Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets From a. and b. above) Offset by Gross Deferred Tax Liabilities.	4,991	23,461	28,452	5,786	25,287	31,073	(795)	(1,826)	(2,621)
Deferred Tax Asset Admitted as the result of application of SSAP No. 101 Total (a.+b.+c.)	\$ 15,151	\$ 23,461	\$ 38,612	\$ 16,826	\$ 25,287	\$ 42,113	\$ (1,675)	\$ (1,826)	\$ (3,501)

	3/31/2014	12/31/2013
Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount	932%	932%
Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation	862,995	934,751

The impact of tax planning strategies on adjusted gross DTA's and net admitted DTA's is as follows (*in thousands*):

	March 31, 2014			12/31/2013			Change		
	Ordinary Percent	Capital Percent	Total Percent	Ordinary Percent	Capital Percent	Total Percent	Ordinary Percent	Capital Percent	Total Percent
Adjusted Gross DTAs	37,333	23,785	61,118	38,664	25,611	64,275	(1,331)	(1,826)	(3,157)
Percentage of Adjusted Gross DTAs	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net Admitted Adjusted Gross DTAs	15,151	23,461	38,612	16,826	25,287	42,113	(1,675)	(1,826)	(3,501)
Percentage of Net Admitted Adjusted Gross DTAs	0%	0%	0%	0%	0%	0%	0%	0%	0%

The Company’s tax-planning strategy does not include the use of reinsurance.

The (benefit)/provision for income taxes on earnings for the quarters ended March 31, 2014 and 2013 and year ended December 31, 2013 are as follows (*in thousands*):

	Mar. 31, 2014	Mar. 31, 2013	Dec. 31, 2013
Federal (benefit)/provision	(1,053)	1,843	(10,539)
Federal income tax on net capital gains	1,052	1,962	4,940
Federal income (benefit)/taxes incurred	(1)	3,805	(5,599)

## NOTES TO FINANCIAL STATEMENTS

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows (*in thousands*):

<b>Deferred Tax Assets:</b>	<b><u>Mar. 31, 2014</u></b>	<b><u>Dec. 31, 2013</u></b>	<b><u>Change</u></b>
<b>Ordinary</b>			
Benefit Obligations	23,388	23,533	(145)
Unpaid Claims	1,370	1,588	(218)
Accrued Expenses	4,518	7,443	(2,925)
Nonadmitted Assets	28,457	27,544	913
AMT Credits	90,218	88,391	1,827
Other	8,991	8,349	642
Subtotal	156,942	156,848	94
Statutory valuation allowance adjustment	119,609	118,184	1,425
Nonadmitted	22,182	21,838	344
Admitted ordinary deferred tax assets	15,151	16,826	(1,675)
<b>Capital</b>			
Investments	23,785	25,611	(1,826)
Subtotal	23,785	25,611	(1,826)
Nonadmitted	324	324	-
Admitted capital deferred tax assets	23,461	25,287	(1,826)
Admitted deferred tax assets	38,612	42,113	(3,501)
<b>Deferred Tax Liabilities:</b>			
<b>Ordinary</b>			
Accrued Expenses	1,004	1,147	(143)
Unpaid Claims	9	10	(1)
Subtotal	1,013	1,157	(144)
<b>Capital</b>			
Investments	4,221	4,872	(651)
Investment in affiliate	54,175	58,436	(4,261)
Subtotal	58,396	63,308	(4,912)
Deferred tax liabilities	59,409	64,465	(5,056)
Net deferred tax liabilities	(20,797)	(22,352)	1,555

Deferred tax assets are reflected as admitted assets, subject to certain limitations. The components of the net deferred tax asset recognized in the Company's balance sheets—statutory basis are as follows (*in thousands*):

	<b><u>Mar. 31, 2014</u></b>	<b><u>Dec. 31, 2013</u></b>	<b><u>Change</u></b>
Adjusted gross deferred tax assets	61,118	64,275	(3,157)
Total deferred tax liabilities	59,409	64,465	5,056
Net deferred tax assets (liabilities)	1,709	(190)	1,899
Tax effect of unrealized gains(losses)			(514)
Investment in Affiliate			(2,435)
Change in net deferred income tax			(1,050)

The reconciliation of the federal income tax rate to the actual effective rate is as follows (*in thousands*):

	<b><u>Mar. 31, 2014</u></b>	<b><u>Effective Tax Rate</u></b>
Provision computed at statutory rate	(13,854)	35.00%
Permanent book to tax and other reserve adjustment	16,603	-41.95%
Pension Equity	(2,212)	5.59%
Changes in valuation allowance	1,424	-3.60%
Nonadmitted assets and other	(912)	2.31%
Total	1,049	-2.65%
Federal income taxes incurred	(1)	0.00%
Change in net deferred income taxes	1,050	-2.65%
Total statutory income taxes	1,049	-2.65%

The Company is subject to examination by the Internal Revenue Service and state taxing authorities. In general, the Company's tax years 2010 and forward remain open under the statutes of limitation and subject to examination.

The Company is exempt from all state income taxes in the jurisdictions for which it is registered to do business.

NOTES TO FINANCIAL STATEMENTS

10. Information Concerning Parent, Subsidiaries and Affiliates

Group Hospitalization and Medical Services, Inc. (GHMSI or the Company) is a not-for-profit company that provides a comprehensive array of health insurance and managed care products and services primarily through indemnity health insurance and health benefits administration. Other products and services include preferred provider and point of service networks, third-party administrator services and other managed care services. These products and services are provided to individuals, businesses and governmental agencies primarily in the Washington, D.C. metropolitan area, Northern Virginia and the state of Maryland.

The Company and CareFirst of Maryland, Inc. (CFMI) are both affiliates of a not-for-profit parent company, CareFirst, Inc. (CFI). These affiliates do business as CareFirst BlueCross BlueShield.

The Company and CFMI hold joint interests in a holding company, CareFirst Holdings, LLC (CFH). CFH was formed on December 31, 2010 by contributed assets from the Company and CFMI. Since control over CFH operations is vested in CFI, GHMSI determined that neither GHMSI nor CFMI exercise control over CFH. CFH’s wholly-owned subsidiaries include First Care, Inc. (FirstCare), CFA, LLC , National Capital Insurance Agency, LLC, Capital Area Services Company, LLC and CareFirst BlueChoice, Inc. and its subsidiaries. CFH and its subsidiaries are owned 50.001% by CFMI and 49.999% by GHMSI.

11. Debt

None.

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

The components of net periodic benefit cost for the three months ended March 31, 2014 and 2013 are as follows (*in thousands*):

	Pension Benefits		Other Postretirement Benefits	
	2014	2013	2014	2013
Service cost	\$ 1,804	\$ 2,137	\$ 157	\$ 252
Interest cost	3,651	3,212	301	341
Expected return on plan assets	(6,467)	(6,094)	—	—
Amortization of transition asset	(662)	—	—	—
Amortization of prior service cost	52	32	69	—
Net recognized actuarial loss	717	2,250	—	23
Net periodic benefit cost for the three months ended March 31	\$ (905)	\$ 1,537	\$ 527	\$ 616

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

- (1) No change.
- (2) – (9) Not applicable.
- (10) Change in net unrealized capital gains (losses) for the three months ended March 31, 2014:

Change in the unrealized gains (losses) from:

Affiliated common stocks:

CareFirst Holdings	\$ 708,206
CareFirst BlueChoice	(12,175,605)
FirstCare	201,651
CFA	1,063,731
CASCI	874,432
NCIA	87,881
Unaffiliated common stocks	(2,581,210)
Bonds	13,412
Total unrealized gains (losses)	(11,807,502)
Capital gains deferred taxes	898,729

Change in net unrealized capital gains (losses)

less capital gains taxes (page 5 line 36) \$ (10,908,773)

- (11) – (13) Not applicable.

14. Contingencies

A. Contingent Commitments

None.

## NOTES TO FINANCIAL STATEMENTS

**B. Assessments**

In the jurisdictions in which the Company is licensed to conduct business, guaranty associations have been created for the purpose, among others, of protecting insured parties under health insurance policies when a health insurer becomes impaired, insolvent, or fails. The Company is contingently liable for assessments in any calendar year, in order to provide any required funds to carry out the power and duties of the associations. These associations levy assessments, up to prescribed limits, on all member insurers in a particular state on the basis of the proportionate share of the premiums written by member insurers in the line of business in which the impaired, insolvent or failed insurer is engaged. Some states permit member insurers to recover assessments through full or partial premium tax offsets.

The Pennsylvania Insurance Commissioner has placed long-term care insurer Penn Treaty Network America Insurance Company and one of its subsidiaries (collectively, "Penn Treaty") in rehabilitation, an intermediate action before insolvency, and has petitioned a state court for liquidation. If Penn Treaty is liquidated, the Company and other insurers may be required to pay a portion of Penn Treaty's policyholder claims through guaranty association assessments in future periods. The Company is currently unable to predict the ultimate outcome of, or reasonably estimate the loss or range of losses resulting from, this potential insolvency because the Company cannot predict when the state court will render a decision, the amount of the insolvency, if any, the amount and timing of associated guaranty association assessments or the amount or availability of potential offsets, such as premium tax offsets. It is possible that in future reporting periods the Company may record a liability and a premium tax offset receivable relating to Penn Treaty which could have a material adverse effect on the Company's financial statements.

**C. Gain Contingencies**

None.

**D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits**

None.

**E. All Other Contingencies**

The Company insures individuals and provides administrative services to non-risk groups with members who are qualified Medicare beneficiaries. Medicare law identifies the primary payer and secondary payer of claims when individuals are insured by either the Company or an employer and Medicare. Principally as a result of information systems programming errors, the Company incorrectly paid certain claims in years prior to 2009 as the secondary payer rather than as the primary payer for individuals that were insured by the Company. The issues were communicated to CMS in May 2009. The Company has implemented corrective measures to (1) correctly identify Medicare beneficiaries that should be paid primary and (2) modify information systems to correctly adjudicate claims on behalf of Medicare beneficiaries.

Based on its interpretation of Medicare law, the Company believes it is liable for improperly processed claims for the period from January 1, 2006 to December 31, 2008. In 2009, CFMI, GHMSI and CFBC provided CMS with the data of the incorrectly paid claims and offered to settle its obligations to CMS for \$19,000,000. Accordingly, CFMI, GHMSI and CFBC recorded a liability of \$19,000,000 at December 31, 2009 for this proposed settlement, of which \$9,885,000 was recorded by the Company. The Company received demand letters from CMS regarding certain of these individual claims during 2010 and 2011. No demand letters were received in 2012 or 2013. Based on the claims processed in response to these demand letters and its ongoing evaluation of the Company's liability for this matter, the Company released a portion of the reserves that had been established in 2009 at December 31, 2012. The remaining balance of the liability was \$7,467,000 at December 31, 2012. During 2013, CMS made a settlement offer of \$16,054,000, which represented the total liability established in 2009 minus the amount paid to date from the demand letters processed in 2010 and 2011. As a result, the Company re-established a portion of the reserve that was released in 2012 to restore the liability back to the settlement amount offered by CMS. Accordingly, the balance of the liability was \$8,440,000 as of December 31, 2013, and was included in general expenses due or accrued. The final settlement amount of \$8,434,000 was paid in February 2014.

During 2012, the Company discovered an unrelated processing error related to the handling of claims for Medicare members of certain non-risk groups between the years from 2009 to 2012. This error was promptly corrected once identified by the Company. As a result, CFMI and GHMSI recorded a liability of \$4,800,000, of which \$1,143,000 was recorded by the Company representing the Company's best estimate of its portion of liability to CMS at December 31, 2012. In 2013, this liability was reduced after the Company completed its on-going review of the claims data related to this liability. At December 31, 2013, the liability was reduced to \$721,000, and was included in other liabilities. There have been no adjustments to this liability since December 31, 2013. The Company's management believes, after consultation with legal counsel, that the final resolution of this matter will not result in additional material liabilities to the Company.

**15. Leases****A. Lessee Operating Lease**

No change.

**B. Lessor Leases**

Not applicable.

NOTES TO FINANCIAL STATEMENTS

16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk

Not applicable.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A. Transfers of Receivables Reported as Sales

Not applicable.

B. Transfer and Servicing of Financial Assets

Not applicable.

C. Wash Sales

None.

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

A. ASO Plans

Not applicable.

B. ASC Plans

The results from operations of uninsured ASC plans and the uninsured portion of partially insured plans were as follows for the three months ended March 31, 2014 and 2013 (*in thousands*):

	March 31	
	2014	2013
Gross reimbursement for medical costs incurred	\$ 194,660	\$ 274,124
Gross administrative fees accrued	12,936	19,170
Gross expenses incurred	(211,968)	(292,122)
Operating (loss) gain, before stop loss	\$ (4,372)	\$ 1,172
Stop loss, net	1,502	1,288
Proforma operating (loss) gain	\$ (2,870)	\$ 2,460

The stop loss amount reported above represents the stop loss underwriting gain from the ASC business.

For the three months ended March 31, 2014, GHMSI ceded an ASC underwriting loss of \$1,085,000 to CFMI and assumed an ASC underwriting loss of \$1,141,000 from CFMI for a net underwriting loss of \$56,000. For the three months ended March 31, 2013, GHMSI ceded an ASC underwriting loss of \$611,000 to CFMI and assumed an ASC underwriting gain of \$1,145,000 from CFMI for a net underwriting gain of \$1,756,000.

C. Medicare or Similarly Structured Cost Based Reimbursement Contract

Not applicable.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not applicable.

20. Fair Value Measurements

Included in various investment-related line items in the financial statements are certain financial instruments carried at fair value. Other financial instruments are periodically measured at fair value, such as when impaired, or, for certain bonds and preferred stocks when carried at the lower of cost or market. SSAP No. 100 *Fair Value Measurements* defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value. The fair value hierarchy is as follows:

- Level 1 – Quoted (unadjusted) prices for identical assets or liabilities in active markets.
- Level 2 – Other observable inputs, either directly or indirectly.
- Level 3 – Unobservable inputs that cannot be corroborated by observable market data.

In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Company’s assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset. Management is responsible for the determination of fair value, and performs



NOTES TO FINANCIAL STATEMENTS

monthly analyses on the prices received from third parties to determine whether the prices appear to be reasonable estimates of fair value.

There were no transfers between levels during the three months ended March 31, 2014.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

**Bonds.** The fair value of U.S. Treasury securities is determined by an active price for an identical security in an observable market and is therefore classified as Level 1. Other U.S. government agencies securities, state and municipal securities, foreign governments securities, corporate bonds, mortgage-backed securities and other asset-backed securities that are priced by independent pricing services using observable inputs are classified as Level 2. Observable inputs used for other U.S. government agencies securities include quoted prices for like or similar assets, benchmark yields, reported trades and credit spreads. Observable inputs used for state and municipal securities, foreign governments securities and corporate bonds include quoted prices for identical or similar assets that are traded in an active market, benchmark yields, new issuances, issuer ratings, reported trades of comparable securities and credit spreads. The fair value of mortgage-backed securities and other asset-backed securities is determined by a cash flow model, which utilizes observable inputs such as quoted prices for identical or similar assets, benchmark yields, prepayment speeds, collateral performance, credit spreads, and default rates at commonly quoted intervals.

**Stocks.** Fair values of publicly-traded index funds where market quotes are available but are not considered actively traded are classified as Level 2. Net asset value of the fixed income index fund invested in U.S. Treasury inflation-protected securities (USTIPS) is calculated as of the close of business of the New York Stock Exchange. Fair value of the fixed income index fund where a market quote is available but is not considered actively traded is classified as Level 2. Fair values of privately held equity securities, where there has been limited trading activity or where less price transparency exists around the inputs to the valuation, are classified as Level 3.

The following table presents information about the fair value of the Company’s financial instruments measured and reported at fair value (*in thousands*).

	Quoted Prices in Active Markets (Level 1)		Other Observable Inputs (Level 2)		Unobservable Inputs (Level 3)		Total Fair Value as of March 31, 2014
<b>Assets</b>							
Bonds	\$	—	\$	100	\$	—	\$ 100
Common stocks							
Large capital equity index fund		—		21,510		—	21,510
Small capital equity index fund		—		21,058		—	21,058
International equity index fund		—		14,669		—	14,669
Publicly-traded fixed income index fund (a)		—		54,667		—	54,667
Privately held equity securities		—		—		4,300	4,300
Total common stocks		—		111,904		4,300	116,204
Total assets measured and reported at fair value	\$	—	\$	112,004	\$	4,300	\$ 116,304

(a) Represent investments in USTIPS.

A reconciliation of the beginning and ending balances of privately held equity securities measured at fair value using Level 3 inputs is as follows (*in thousands*):

Beginning balance at January 1, 2014	\$ 4,300
Unrealized gains in capital and surplus—statutory basis	—
Ending balance at March 31, 2014	<u>\$ 4,300</u>
Change in unrealized losses included in net income related to assets still held	<u>\$ —</u>

NOTES TO FINANCIAL STATEMENTS

The following table presents information about the aggregate fair value of the Company’s financial instruments (*in thousands*).

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Aggregate Fair Value as of March 31, 2014	Admitted Assets as of March 31, 2014
Bonds	\$ 102,822	\$ 421,070	\$ –	\$ 523,892	\$ 520,188
Common stocks	–	111,904	4,300	116,204	116,204
Total	\$ 102,822	\$ 532,974	\$ 4,300	\$ 640,096	\$ 636,392

As of March 31, 2014, the Company has no financial instruments for which it is not practicable to estimate fair value.

21. Other Items

A. Extraordinary Items

Not applicable.

B. Troubled Debt Restructuring: Debtors

Not applicable.

C. Other Disclosures and Unusual Items

The Company is subject to the Health Insurer Tax (HIT) under Section 9010 of the Patient Protection and Affordable Care Act. In accordance with SSAP No. 35R *Guaranty Fund and Other Assessments*, the entire HIT fee for 2014 is recognized as general administrative expense on January 1. Therefore, on January 1, 2014, the Company recorded its estimated 2014 HIT fee of \$47,970,000.

D. Business Interruption Insurance Recoveries

Not applicable.

E. State Transferable and Non-transferable Tax Credits

Not applicable.

F. Subprime-Mortgage-Related Risk Exposure

- (1) The Company categorizes mortgage securities with an average FICO score of less than 675 (credit score) as a subprime mortgage security. The Company has no subprime mortgage securities as of March 31, 2014.
- (2) The Company does not engage in mortgage lending and therefore has no direct exposure through investments in subprime mortgage loans.
- (3) The Company has no exposure in subprime mortgage lending through its fixed maturity and equity investments.

G. Retained Assets

Not applicable.

H. Offsetting and Netting of Assets and Liabilities

Not applicable.

I. Joint and Several Liabilities

Not applicable.

J. Risk Sharing Provisions of the Affordable Care Act

The following admitted assets, liabilities and revenue elements, by program of the Affordable Care Act (ACA), were recorded for the three months ended March 31, 2014 (*in thousands*):

NOTES TO FINANCIAL STATEMENTS

a.	ACA Permanent Risk Adjustment Program		
i.	Premium adjustments receivable due to ACA Risk Adjustment	\$	—
ii.	Risk adjustment user fees payable for ACA Risk Adjustment		74
iii.	Premium adjustments payable due to ACA Risk Adjustment		—
iv.	Reported as revenue in premium for accident and health contracts written due to ACA Risk Adjustment		—
v.	Reported in expenses as ACA risk adjustment user fees incurred		74
b.	ACA Transitional Reinsurance Program		
i.	Amounts recoverable for claims paid due to ACA Reinsurance	\$	191
ii.	Amounts recoverable for claims unpaid due to ACA Reinsurance		—
iii.	Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance		—
iv.	Claims unpaid – ceded due from ACA Reinsurance		—
v.	Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium		8,889
vi.	Ceded reinsurance premiums payable due to ACA Reinsurance		—
vii.	Liability for amounts held under uninsured plans contributions for ACA Reinsurance		—
viii.	Ceded reinsurance premiums due to ACA Reinsurance		—
ix.	Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments		191
x.	ACA Reinsurance Contributions – not reported as ceded premium		8,889
c.	ACA Temporary Risk Corridors Program		
i.	Accrued retrospective premium due from ACA Risk Corridors	\$	—
ii.	Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors		—
iii.	Effect of ACA Risk Corridors on net premium income		—
iv.	Effect of ACA Risk Corridors on change in reserves for rate credits		—

22. Events Subsequent

Not Applicable.

23. Reinsurance

A. Ceded Reinsurance Report

The Company maintains a quota-share reinsurance contract with FirstCare, a plan sponsor offering Medicare Part D prescription drug insurance coverage under a contract with CMS. The Company assumed risk premiums in the amount of \$1,823,000 and \$1,608,000, and incurred an underwriting loss in the amount of \$208,000 and \$242,000, for the three months ended March 31, 2014 and 2013, respectively.

Certain business has been written by CFMI and GHMSI which represents contracts outside the historic CFMI and GHMSI service areas (cross-jurisdictional sales). The net underwriting gain or loss from this cross-jurisdictional business is transferred via a quota-share reinsurance contract from the company that earned them to the company in whose service area they were earned. The Company remains obligated for amounts ceded in the event that CFMI does not meet its obligations. As a result of this reinsurance agreement, the following amounts were assumed from and ceded to CFMI for the three months ended March 31, 2014 and 2013 (*in thousands*):

	March 31	
	2014	2013
Premiums assumed	\$ 11,258	\$ 13,066
Premiums ceded	(46,623)	(57,629)
Premiums, net	(35,365)	(44,563)
Cost of care assumed	7,079	8,280
Cost of care ceded	(39,016)	(42,251)
Cost of care, net	(31,937)	(33,971)
General and administrative expenses ceded, net	(8,978)	(10,613)
Net loss ceded	\$ 5,550	\$ 21

NOTES TO FINANCIAL STATEMENTS

B. Uncollectible Reinsurance

Not applicable.

C. Commutation of Ceded Reinsurance

Not applicable.

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

Not applicable.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. – C. Not applicable.

D. Medical loss ratio rebates required pursuant to the Public Health Service Act are as follows (*in thousands*):

	Individual		Small Group Employer	Large Group Employer	Other Categories with Rebates		Total
Prior Reporting Year							
(1) Medical loss ratio rebates incurred	\$	–	\$ 1,989	\$ –	\$ –	\$ –	1,989
(2) Medical loss ratio rebates paid		–	1,989	–	–	–	1,989
(3) Medical loss ratio rebates unpaid		–	–	–	–	–	–
(4) Plus reinsurance assumed amounts	XXX		XXX	XXX	XXX		–
(5) Less reinsurance ceded amounts	XXX		XXX	XXX	XXX		–
(6) Rebates unpaid net of reinsurance	XXX		XXX	XXX	XXX	\$	–
Current Reporting Year-to-Date							
(7) Medical loss ratio rebates incurred	\$	–	\$ –	\$ –	\$ –	\$ –	–
(8) Medical loss ratio rebates paid		–	–	–	–	–	–
(9) Medical loss ratio rebates unpaid		–	–	–	–	–	–
(10) Plus reinsurance assumed amounts	XXX		XXX	XXX	XXX		–
(11) Less reinsurance ceded amounts	XXX		XXX	XXX	XXX		–
(12) Rebates unpaid net of reinsurance	XXX		XXX	XXX	XXX	\$	–

25. Change in Incurred Claims and Claim Adjustment Expenses

As of March 31, 2014, \$205,768,000 has been paid for incurred claims attributable to insured events for prior years. Reserves remaining for prior years are now \$45,302,000 as a result of re-estimation of unpaid claims and unpaid claims adjustment expenses. Therefore, there has been a \$1,596,000 favorable prior year development since December 31, 2013 to March 31, 2014, which includes an \$8,552,000 favorable development in the Federal Employee Program line of business. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements

Not applicable.

27. Structured Settlements

Not applicable.

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

No change.

B. Risk Sharing Receivables

Not applicable.

29. Participating Policies

Not applicable.

30. Premium Deficiency Reserve

1. Liability carried for premium deficiency reserves: \$940,000 within aggregate health policy reserves
2. Date of the most recent evaluation of this liability: March 31, 2014

NOTES TO FINANCIAL STATEMENTS

3. Was anticipated investment income utilized in the calculation? No

31. Salvage and Subrogation

No change.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes [ ] No [ X ]

1.2

If yes, has the report been filed with the domiciliary state?

Yes [ ] No [ ]

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [ ] No [ X ]

2.2

If yes, date of change:

3.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?  
If yes, complete Schedule Y, Parts 1 and 1A.

Yes [ X ] No [ ]

3.2

Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes [ ] No [ X ]

3.3

If the response to 3.2 is yes, provide a brief description of those changes.

4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [ ] No [ X ]

4.2

If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?  
If yes, attach an explanation.

Yes [ ] No [ ] N/A [ X ]

6.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2013

6.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2008

6.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

09/29/2009

6.4

By what department or departments?  
District of Columbia Department of Insurance, Securities and Banking

6.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes [ ] No [ ] N/A [ X ]

6.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes [ X ] No [ ] N/A [ ]

7.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes [ ] No [ X ]

7.2

If yes, give full information:

8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [ ] No [ X ]

8.2

If response to 8.1 is yes, please identify the name of the bank holding company.

8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [ ] No [ X ]

8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC

GENERAL INTERROGATORIES

- 9.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity; (c) Compliance with applicable governmental laws, rules and regulations; (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and (e) Accountability for adherence to the code.

Yes [ X ] No [ ]
- 9.11

If the response to 9.1 is No, please explain:
- 9.2

Has the code of ethics for senior managers been amended?

Yes [ X ] No [ ]
- 9.21

If the response to 9.2 is Yes, provide information related to amendment(s).  
The code was amended in 2013 with an effective date of January 1, 2014. The code is periodically updated to reflect best practices and new policies.
- 9.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [ ] No [ X ]
- 9.31

If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

- 10.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [ X ] No [ ]
- 10.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$0

INVESTMENT

- 11.1

Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes [ ] No [ X ]
- 11.2

If yes, give full and complete information relating thereto:
12.

Amount of real estate and mortgages held in other invested assets in Schedule BA:

\$0
13.

Amount of real estate and mortgages held in short-term investments:

\$0
- 14.1

Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes [ X ] No [ ]
- 14.2

If yes, please complete the following:
- |   | 1<br>Prior Year-End<br>Book/Adjusted<br>Carrying Value | 2<br>Current Quarter<br>Book/Adjusted<br>Carrying Value |
|---|--|---|
| 14.21 Bonds   | \$0  | \$0   |
| 14.22 Preferred Stock   | \$0  | \$0   |
| 14.23 Common Stock  | \$0  | \$0   |
| 14.24 Short-Term Investments  | \$0  | \$0   |
| 14.25 Mortgage Loans on Real Estate   | \$0  | \$0   |
| 14.26 All Other   | \$435,518,247  | \$426,278,543   |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) | \$435,518,247  | \$426,278,543   |
| 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above                       | \$0  | \$0   |
- 15.1

Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes [ ] No [ X ]
- 15.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?  
If no, attach a description with this statement.

Yes [ ] No [ ]

STATEMENT AS OF MARCH 31, 2014 OF THE Group Hospitalization & Medical Services, Inc.

GENERAL INTERROGATORIES

16. For the reporting entity's security lending program, state the amount of the following as of the current statement date:
- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.

16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

16.3 Total payable for securities lending reported on the liability page.
- \$

\$

\$
- 0

0

0

17. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?
- Yes [ X ] No [ ]

- 17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
SunTrust Bank	1445 New York Ave, Washington DC 20005

- 17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

- 17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter?
- Yes [ ] No [ X ]

- 17.4 If yes, give full information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

- 17.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
15958	Vanguard	P.O. Box 2900 Valley Forge, PA 19482
104596	Dodge & Cox	55 California St., San Francisco, CA 94104
105496	T. Rowe Price	100 E. Pratt St., Baltimore MD 21202

- 18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?
- Yes [ X ] No [ ]

- 18.2 If no, list exceptions:



GENERAL INTERROGATORIES

PART 2 - HEALTH

1. Operating Percentages:
- 1.1 A&H loss percent

88.8 %
- 1.2 A&H cost containment percent

1.8 %
- 1.3 A&H expense percent excluding cost containment expenses

17.7 %
- 2.1 Do you act as a custodian for health savings accounts?

Yes [ ] No [ X ]
- 2.2 If yes, please provide the amount of custodial funds held as of the reporting date

\$0
- 2.3 Do you act as an administrator for health savings accounts?

Yes [ ] No [ X ]
- 2.4 If yes, please provide the balance of the funds administered as of the reporting date

\$0

STATEMENT AS OF MARCH 31, 2014 OF THE Group Hospitalization & Medical Services, Inc.

## SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1	2	3	4	5	6	7	8	9
NAIC Company Code	ID Number	Effective Date	Name of Reinsurer	Domiciliary Jurisdiction	Type of Reinsurance Ceded	Type of Reinsurer	Certified Reinsurer Rating  (1 through 6)	Effective Date of Certified Reinsurer Rating
			NONE					

STATEMENT AS OF MARCH 31, 2014 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

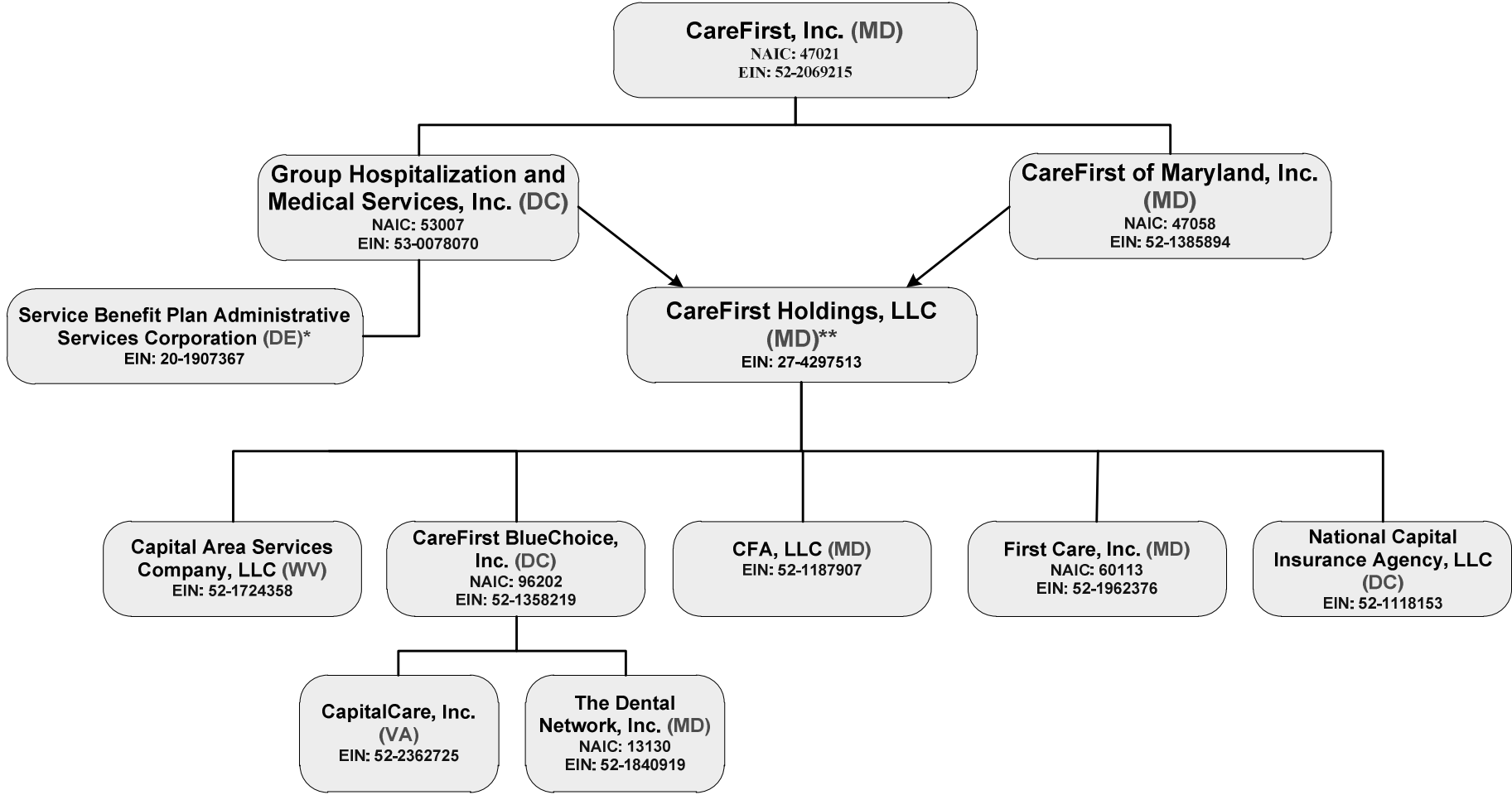
Current Year to Date - Allocated by States and Territories									
States, etc.	1	Direct Business Only							
	Active Status	2	3	4	5	6	7	8	9
		Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums & Other Considerations	Property/Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama .....	AL	N	0	0	0	0	0	0	0
2. Alaska .....	AK	N	0	0	0	0	0	0	0
3. Arizona .....	AZ	N	0	0	0	0	0	0	0
4. Arkansas .....	AR	N	0	0	0	0	0	0	0
5. California .....	CA	N	0	0	0	0	0	0	0
6. Colorado .....	CO	N	0	0	0	0	0	0	0
7. Connecticut .....	CT	N	0	0	0	0	0	0	0
8. Delaware .....	DE	N	0	0	0	0	0	0	0
9. District of Columbia .....	DC	L	127,970,058	0	138,033,706	0	0	266,003,764	0
10. Florida .....	FL	N	0	0	0	0	0	0	0
11. Georgia .....	GA	N	0	0	0	0	0	0	0
12. Hawaii .....	HI	N	0	0	0	0	0	0	0
13. Idaho .....	ID	N	0	0	0	0	0	0	0
14. Illinois .....	IL	N	0	0	0	0	0	0	0
15. Indiana .....	IN	N	0	0	0	0	0	0	0
16. Iowa .....	IA	N	0	0	0	0	0	0	0
17. Kansas .....	KS	N	0	0	0	0	0	0	0
18. Kentucky .....	KY	N	0	0	0	0	0	0	0
19. Louisiana .....	LA	N	0	0	0	0	0	0	0
20. Maine .....	ME	N	0	0	0	0	0	0	0
21. Maryland .....	MD	L	127,122,791	0	284,742,932	0	0	411,865,723	0
22. Massachusetts .....	MA	N	0	0	0	0	0	0	0
23. Michigan .....	MI	N	0	0	0	0	0	0	0
24. Minnesota .....	MN	N	0	0	0	0	0	0	0
25. Mississippi .....	MS	N	0	0	0	0	0	0	0
26. Missouri .....	MO	N	0	0	0	0	0	0	0
27. Montana .....	MT	N	0	0	0	0	0	0	0
28. Nebraska .....	NE	N	0	0	0	0	0	0	0
29. Nevada .....	NV	N	0	0	0	0	0	0	0
30. New Hampshire .....	NH	N	0	0	0	0	0	0	0
31. New Jersey .....	NJ	N	0	0	0	0	0	0	0
32. New Mexico .....	NM	N	0	0	0	0	0	0	0
33. New York .....	NY	N	0	0	0	0	0	0	0
34. North Carolina .....	NC	N	0	0	0	0	0	0	0
35. North Dakota .....	ND	N	0	0	0	0	0	0	0
36. Ohio .....	OH	N	0	0	0	0	0	0	0
37. Oklahoma .....	OK	N	0	0	0	0	0	0	0
38. Oregon .....	OR	N	0	0	0	0	0	0	0
39. Pennsylvania .....	PA	N	0	0	0	0	0	0	0
40. Rhode Island .....	RI	N	0	0	0	0	0	0	0
41. South Carolina .....	SC	N	0	0	0	0	0	0	0
42. South Dakota .....	SD	N	0	0	0	0	0	0	0
43. Tennessee .....	TN	N	0	0	0	0	0	0	0
44. Texas .....	TX	N	0	0	0	0	0	0	0
45. Utah .....	UT	N	0	0	0	0	0	0	0
46. Vermont .....	VT	N	0	0	0	0	0	0	0
47. Virginia .....	VA	L	119,911,931	0	56,335,229	0	0	176,247,160	0
48. Washington .....	WA	N	0	0	0	0	0	0	0
49. West Virginia .....	WV	N	0	0	0	0	0	0	0
50. Wisconsin .....	WI	N	0	0	0	0	0	0	0
51. Wyoming .....	WY	N	0	0	0	0	0	0	0
52. American Samoa .....	AS	N	0	0	0	0	0	0	0
53. Guam .....	GU	N	0	0	0	0	0	0	0
54. Puerto Rico .....	PR	N	0	0	0	0	0	0	0
55. U.S. Virgin Islands .....	VI	N	0	0	0	0	0	0	0
56. Northern Mariana Islands .....	MP	N	0	0	0	0	0	0	0
57. Canada .....	CAN	N	0	0	0	0	0	0	0
58. Aggregate Other Aliens .....	OT	XXX	0	0	0	0	0	0	0
59. Subtotal .....	XXX	375,004,780	0	0	479,111,867	0	0	854,116,647	0
60. Reporting Entity Contributions for Employee Benefit Plans .....	XXX	0	0	0	0	0	0	0	0
61. Totals (Direct Business) .....	(a) 3	375,004,780	0	0	479,111,867	0	0	854,116,647	0
DETAILS OF WRITE-INS									
58001. ....	XXX								
58002. ....	XXX								
58003. ....	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page .....	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above) .....	XXX	0	0	0	0	0	0	0	0

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien.

Enrollment and billing systems capture and report premiums by group situs except for Federal Employees Health Benefits Program (FEHBP). FEHBP premiums from members residing in the United States are reported based on the members' residence whereas premiums from overseas members are reported in D.C.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART



\*Service Benefit Plan Administrative Services Corporation is owned 90% by Group Hospitalization and Medical Services, Inc. and 10% by the Blue Cross and Blue Shield Association.

\*\*CareFirst Holdings, LLC is owned 50.001% by CareFirst of Maryland, Inc. and 49.999% by Group Hospitalization and Medical Services, Inc.

STATEMENT AS OF MARCH 31, 2014 OF THE Group Hospitalization & Medical Services, Inc.

## SCHEDULE Y

## PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

[illegible]

Asterisk	Explanation
.....	N/A .....

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

Response

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement? .....

YES

Explanation:

Bar Code:

**OVERFLOW PAGE FOR WRITE-INS**

SCHEDULE A - VERIFICATION

Real Estate

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		
2.2 Additional investment made after acquisition .....		
3. Current year change in encumbrances .....		
4. Total gain (loss) on disposals .....		
5. Deduct amounts received on disposals .....		
6. Total foreign exchange change in book/adjusted carrying value .....		
7. Deduct current year's other than temporary impairment recognized .....		
8. Deduct current year's depreciation .....		
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8) .....		
10. Deduct total nonadmitted amounts .....		
11. Statement value at end of current period (Line 9 minus Line 10)		

SCHEDULE B - VERIFICATION

Mortgage Loans

	1	2
	Year to Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year .....		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		
2.2 Additional investment made after acquisition .....		
3. Capitalized deferred interest and other .....		
4. Accrual of discount .....		
5. Unrealized valuation increase (decrease) .....		
6. Total gain (loss) on disposals .....		
7. Deduct amounts received on disposals .....		
8. Deduct amortization of premium and mortgage interest point and commitment fees .....		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest .....		
10. Deduct current year's other than temporary impairment recognized .....		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....		
12. Total valuation allowance .....		
13. Subtotal (Line 11 plus Line 12) .....		
14. Deduct total nonadmitted amounts .....		
15. Statement value at end of current period (Line 13 minus Line 14)		

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	435,684,914	401,622,035
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....	0	0
2.2 Additional investment made after acquisition .....	0	0
3. Capitalized deferred interest and other .....	0	0
4. Accrual of discount .....	0	0
5. Unrealized valuation increase (decrease) .....	(9,239,704)	34,062,879
6. Total gain (loss) on disposals .....	0	0
7. Deduct amounts received on disposals .....	0	0
8. Deduct amortization of premium and depreciation .....	0	0
9. Total foreign exchange change in book/adjusted carrying value .....	0	0
10. Deduct current year's other than temporary impairment recognized .....	0	0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	426,445,210	435,684,914
12. Deduct total nonadmitted amounts .....	166,667	166,667
13. Statement value at end of current period (Line 11 minus Line 12)	426,278,543	435,518,247

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	633,296,475	729,221,778
2. Cost of bonds and stocks acquired .....	114,413,574	769,358,187
3. Accrual of discount .....	59,712	256,679
4. Unrealized valuation increase (decrease) .....	(2,567,795)	(6,111,007)
5. Total gain (loss) on disposals .....	5,257,812	24,689,893
6. Deduct consideration for bonds and stocks disposed of .....	113,028,658	877,373,358
7. Deduct amortization of premium .....	1,038,794	6,745,697
8. Total foreign exchange change in book/adjusted carrying value .....	0	0
9. Deduct current year's other than temporary impairment recognized .....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	636,392,326	633,296,475
11. Deduct total nonadmitted amounts .....	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	636,392,326	633,296,475



STATEMENT AS OF MARCH 31, 2014 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a) .....	521,500,109	184,302,792	143,155,004	(531,329)	562,116,568	0	0	521,500,109
2. NAIC 2 (a) .....	100,687,127	13,511,994	7,197,971	(687,690)	106,313,460	0	0	100,687,127
3. NAIC 3 (a) .....	100,097	0	1,219	222,080	320,958	0	0	100,097
4. NAIC 4 (a) .....	483,323	0	1,406	(2,033)	479,884	0	0	483,323
5. NAIC 5 (a) .....	881,903	0	48,759	(3,169)	829,975	0	0	881,903
6. NAIC 6 (a) .....	18	0	0	0	18	0	0	18
7. Total Bonds	623,652,577	197,814,786	150,404,359	(1,002,141)	670,060,863	0	0	623,652,577
PREFERRED STOCK								
8. NAIC 1 .....	0	0	0	0	0	0	0	0
9. NAIC 2 .....	0	0	0	0	0	0	0	0
10. NAIC 3 .....	0	0	0	0	0	0	0	0
11. NAIC 4 .....	0	0	0	0	0	0	0	0
12. NAIC 5 .....	0	0	0	0	0	0	0	0
13. NAIC 6 .....	0	0	0	0	0	0	0	0
14. Total Preferred Stock .....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	623,652,577	197,814,786	150,404,359	(1,002,141)	670,060,863	0	0	623,652,577

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ .....0 ; NAIC 2 \$ .....0 ; NAIC 3 \$ .....0 ;  
NAIC 4 \$ .....0 ; NAIC 5 \$ .....0 ; NAIC 6 \$ .....0

SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year-to-Date	Paid for Accrued Interest Year-to-Date
9199999 Totals	149,872,909	xxx	149,933,151	30,658	3,964

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	112,175,883	13,689,876
2. Cost of short-term investments acquired .....	90,901,212	298,776,383
3. Accrual of discount .....	0	492
4. Unrealized valuation increase (decrease) .....	(1,310)	320
5. Total gain (loss) on disposals .....	4,158	9,628
6. Deduct consideration received on disposals .....	53,171,869	200,220,720
7. Deduct amortization of premium .....	35,165	80,096
8. Total foreign exchange change in book/adjusted carrying value .....	0	0
9. Deduct current year's other than temporary impairment recognized .....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	149,872,909	112,175,883
11. Deduct total nonadmitted amounts .....	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	149,872,909	112,175,883

Schedule DB - Part A - Verification - Options, Caps, Floors, Collars, Swaps and Forwards  
**N O N E**

Schedule DB - Part B - Verification - Futures Contracts  
**N O N E**

Schedule DB - Part C - Section 1 - Replication (Synthetic Asset) Transactions (RSATs) Open  
**N O N E**

Schedule DB-Part C-Section 2-Reconciliation of Replication (Synthetic Asset) Transactions Open  
**N O N E**

Schedule DB - Verification - Book/Adjusted Carrying Value, Fair Value and Potential Exposure of  
Derivatives  
**N O N E**

Schedule E - Verification - Cash Equivalents  
**N O N E**

Schedule A - Part 2 - Real Estate Acquired and Additions Made  
**N O N E**

Schedule A - Part 3 - Real Estate Disposed  
**N O N E**

Schedule B - Part 2 - Mortgage Loans Acquired  
**N O N E**

Schedule B - Part 3 - Mortgage Loans Disposed, Transferred or Repaid  
**N O N E**

Schedule BA - Part 2 - Other Long-Term Invested Assets Acquired  
**N O N E**

Schedule BA - Part 3 - Other Long-Term Invested Assets Disposed, Transferred or Repaid  
**N O N E**

STATEMENT AS OF MARCH 31, 2014 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
36179M-X2-1	GNMA PASS-THRU M SINGLE FAMILY		.02/20/2014	CHASE SECURITIES, INC.		330,652	350,302	584	1
36202F-EH-5	GNMA PASS-THRU M SINGLE FAMILY		.02/27/2014	SALOMON SMITH BARNEY INC/		485,739	445,505	1,058	1
36241L-UE-4	GNMA PASS-THRU X PLATINUM 30YR		.03/26/2014	SALOMON SMITH BARNEY INC/		130,300	120,213	451	1
38378N-PP-2	GNMA REMIC TRUST 2014-16		.01/29/2014	RAYMOND JAMES & ASSOCIATE		983,906	1,000,000	178	1
912810-QZ-4	UNITED STATES TREAS BDS		.03/28/2014	VARIOUS		1,215,901	1,340,000	9,791	1
912810-RB-6	UNITED STATES TREAS BDS		.01/27/2014	BOENNING & SCATTERGOOD IN		10,286,250	12,000,000	76,243	1
912810-RD-2	UNITED STATES TREAS BDS		.02/12/2014	VARIOUS		24,353,437	24,000,000	231,215	1
912810-RE-0	UNITED STATES TREAS BDS		.03/04/2014	BOENNING & SCATTERGOOD IN		11,955,000	12,000,000	28,840	1
912810-RF-7	UNITED STATES TREAS BDS TIPS		.02/20/2014	VARIOUS		640,900	660,000	326	1
912828-A5-9	UNITED STATES TREAS NTS		.01/10/2014	VARIOUS		6,975,664	7,000,000	3,185	1
912828-A7-5	UNITED STATES TREAS NTS		.01/10/2014	LINSCO/PRIVATE LEDGER COR		3,475,955	3,500,000	1,885	1
912828-B3-3	UNITED STATES TREAS NTS		.02/10/2014	LINSCO/PRIVATE LEDGER COR		5,510,780	5,500,000	2,507	1
912828-C2-4	UNITED STATES TREAS NTS		.03/27/2014	VARIOUS		1,016,083	1,025,000	1,295	1
912828-PE-4	UNITED STATES TREAS NTS		.03/26/2014	GOLDMAN, SACHS & CO.		2,639,508	2,600,000	13,557	1
912828-SP-6	UNITED STATES TREAS NTS		.02/28/2014	BARCLAYS CAPITAL INC		4,010,469	4,000,000	5,810	1
912828-WD-8	UNITED STATES TREAS NTS		.03/06/2014	VARIOUS		2,503,591	2,550,000	6,500	1
912828-B2-5	UNITED STATES TREAS NTS TIPS		.03/20/2014	VARIOUS		1,361,241	1,365,000	1,046	1
912828-WY-3	UNITED STATES TREAS NTS TIPS		.01/15/2014	GREENWICH CAPITAL MKTS, I		666,284	605,000	832	1
0599999. Subtotal - Bonds - U.S. Governments						78,541,660	80,061,020	385,303	XXX
087160-W6-5	ICELAND REP	R	.01/22/2014	EUROPEAN SECURITIES CORP		140,906	135,000	1,674	2FE
P3772N-HK-1	REPUBLIC OF COLOMBIA	R	.03/13/2014	CITIGROUP GLOBAL MARKET I		180,600	200,000	44	2FE
857524-AC-6	REPUBLIC OF POLAND	R	.01/16/2014	EUROCLEAR BANK S.A. BRUSS		128,952	130,000	0	1FE
857524-AB-8	REPUBLIC OF POLAND NT	R	.02/07/2014	VARIOUS		253,424	235,000	4,397	1FE
836205-AM-6	SOUTH AFRICA REP	R	.01/22/2014	STANDARD NEW YORK, INC.		131,531	115,000	1,318	2FE
836205-AN-4	SOUTH AFRICA REP	R	.01/22/2014	STANDARD BANK OF SOUTH AF		128,850	120,000	2,530	2FE
1099999. Subtotal - Bonds - All Other Governments						964,263	935,000	9,963	XXX
3128MJ-SY-7	FHLMC PC GOLD COMB 30		.02/06/2014	SALOMON SMITH BARNEY INC/		352,557	364,223	364	1
3138EM-JY-8	FNMA PASS-THRU INT 20 YEAR		.02/25/2014	SALOMON SMITH BARNEY INC/		1,559,549	1,470,622	1,961	1
31418A-SZ-7	FNMA PASS-THRU INT 20 YEAR		.03/05/2014	CHASE SECURITIES, INC.		719,006	697,323	814	1
3138MQ-TK-9	FNMA PASS-THRU LNG 30 YEAR		.02/06/2014	BNP PARIBAS SECURITIES BO		7,959	8,577	7	1
3138MR-K6-7	FNMA PASS-THRU LNG 30 YEAR		.02/06/2014	BNP PARIBAS SECURITIES BO		57,748	62,230	52	1
3138NY-4L-6	FNMA PASS-THRU LNG 30 YEAR		.02/06/2014	BNP PARIBAS SECURITIES BO		71,264	76,796	64	1
3138WQ-ZG-4	FNMA PASS-THRU LNG 30 YEAR		.03/20/2014	WACHOVIA SECURITIES CAPIT		589,116	611,770	1,224	1
3138WQ-AT-9	FNMA PASS-THRU LNG 30 YEAR		.02/06/2014	BNP PARIBAS SECURITIES BO		50,182	54,077	45	1
31410L-MN-9	FNMA PASS-THRU LNG 30 YEAR		.02/07/2014	MORGAN STANLEY & CO. INC		958,406	965,563	986	1
31398G-4P-1	FNMA REMIC TRUST 2010-2		.01/21/2014	NOMURA SECURITIES INTL		1,724,749	1,636,288	4,704	1
73358W-PP-1	PORT AUTH N Y & N J		.01/23/2014	M LYNCH,PIERCE,FENNER, & S		190,000	190,000	0	1FE
3199999. Subtotal - Bonds - U.S. Special Revenues						6,280,536	6,157,469	10,221	XXX
00817Y-AN-8	AETNA INC NEW		.03/04/2014	BANC AMERICA SECURITIES L		109,890	110,000	0	2FE
02005A-DV-7	ALLY MSTR OWNR TR 2014-1		.01/28/2014	CHASE SECURITIES, INC.		169,954	170,000	0	1FE
023772-AA-4	AMER AIRLINES PT TR 2013-1 144A		.01/27/2014	CANTOR FITZGERALD & CO		194,582	194,582	324	1FE
00184A-AG-0	AOL TIME WARNER 7.70%		.01/23/2014	STERNE, AGEE & LEACH, INC		231,074	175,000	3,256	2FE
05377R-BN-3	AVIS BUDGET RENTAL FDG 2014-1 144A		.02/05/2014	BARCLAYS CAPITAL INC		329,850	330,000	0	1FE
12189L-AR-2	BURLINGTON NORTHN SANTA FE CP		.03/04/2014	CHASE SECURITIES, INC.		852,204	855,000	0	2FE
13975G-AF-5	CAPITAL AUTO RECV ABN 2014-1		.01/16/2014	SALOMON SMITH BARNEY INC/		34,995	35,000	0	1FE
126117-AS-9	CNA FINL CORP		.03/10/2014	BARCLAYS CAPITAL INC		249,211	250,000	272	2FE
12591R-BF-6	COMM MTG TR 2014-CORE15		.02/10/2014	DEUTSCHE BANK SECURITIES		109,851	110,000	262	1FE
20047T-AA-7	COMM MTG TR 2014-TWC FLT 144A		.01/30/2014	DEUTSCHE BANK SECURITIES		105,000	105,000	0	1FE
12591U-AL-7	COMM MTG TR 2014-UBS2		.03/03/2014	DEUTSCHE BANK SECURITIES		133,891	130,000	316	1FE
23311V-AE-7	DOP MIDSTREAM OPERATING PL		.03/10/2014	GREENWICH CAPITAL MKTS, I		14,912	15,000	0	2FE
23311V-AF-4	DOP MIDSTREAM OPERATING PL		.03/10/2014	GREENWICH CAPITAL MKTS, I		49,503	50,000	0	2FE
247126-AJ-4	DELPHI CORP		.03/13/2014	VARIOUS		214,770	215,000	212	2FE
25459H-BF-1	DIRECTV HLDGS LLC / DIRECTV		.03/14/2014	VARIOUS		159,111	161,000	2,467	2FE
345397-WP-4	FORD MOTOR CREDIT CO LLC		.03/05/2014	BARCLAYS CAPITAL INC		398,484	400,000	0	2FE
361448-AT-0	GATX CORP		.02/27/2014	SALOMON SMITH BARNEY INC/		44,940	45,000	0	2FE
38141G-RD-8	GOLDMAN SACHS GROUP INC		.02/10/2014	SALOMON SMITH BARNEY INC/		197,244	200,000	423	1FE
428236-BP-7	HEWLETT PACKARD CO		.03/13/2014	BOENNING & SCATTERGOOD IN		1,046,000	1,000,000	250	2FE
43289U-AW-5	HILTON USA TRUST 2013-HLT 144A		.01/29/2014	UBS FINANCIAL SERVICES IN		1,119,938	1,100,000	3,405	1FM
449230-AJ-3	HYUNDAI CAP AMER INC 144A		.02/03/2014	BARCLAYS CAPITAL INC		169,675	170,000	0	2FE
46629P-AC-2	JP MORGAN COM MTG 2006-LDP9		.03/20/2014	BARCLAYS CAPITAL INC		284,060	260,000	925	1FM
59022C-AJ-2	MERRILL LYNCH & CO INC		.03/27/2014	BANC AMERICA SECURITIES L		263,263	235,000	2,473	2FE
629568-BA-3	NABORS INDS INC 144A		.02/27/2014	RBC CAPITAL MARKETS CORP		1,041,210	1,000,000	24,367	2FE

STATEMENT AS OF MARCH 31, 2014 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
772739-AP-3	ROCK-TENN CO		.03/05/2014	CANTOR FITZGERALD & CO		514,380	500,000	438	2FE
78390X-AC-5	SAIC INC		.03/13/2014	MERRILL LYNCH PROFESSNL C		489,995	500,000	8,842	2FE
82652C-AA-0	SIERRA RECEIVABLES FDG 2014-144A		.03/11/2014	DEUTSCHE BANK SECURITIES		219,973	220,000	0	1FE
871911-AS-2	SYSTEM ENERGY RESOURCES INC		.03/05/2014	VARIOUS		2,537,400	2,500,000	39,121	2FE
883203-BU-4	TEXTRON INC		.01/23/2014	SALOMON SMITH BARNEY INC/		99,801	100,000	0	2FE
883556-BF-8	THERMO FISHER SCIENTIFIC INC		.01/29/2014	VARIOUS		80,848	80,000	451	2FE
88732J-AJ-7	TIME WARNER CABLE INC		.03/13/2014	MORGAN STANLEY & CO. INC		197,098	170,000	4,005	2FE
88732J-AS-7	TIME WARNER CABLE INC		.02/18/2014	BANC AMERICA SECURITIES L		259,618	205,000	6,577	2FE
90345W-AD-6	US AIRWAYS PT TRUST		.03/13/2014	SALOMON SMITH BARNEY INC/		194,044	184,365	2,487	1FE
92343V-BR-4	VERIZON COMMUNICATIONS INC		.01/08/2014	BANC AMERICA SECURITIES L		128,024	120,000	1,974	2FE
92343V-BS-2	VERIZON COMMUNICATIONS INC		.01/08/2014	SALOMON SMITH BARNEY INC/		126,084	110,000	2,249	2FE
92343V-BY-9	VERIZON COMMUNICATIONS INC		.03/11/2014	VARIOUS		400,115	400,000	0	2FE
92343V-BZ-6	VERIZON COMMUNICATIONS INC		.03/10/2014	SALOMON SMITH BARNEY INC/		229,828	230,000	0	2FE
92938V-AT-2	WELL FARGO COM MTG TR 2014-C19		.03/12/2014	VARIOUS		46,390	45,000	159	1FE
94974B-FR-6	WELLS FARGO CO MTN BE		.03/24/2014	MERRILL LYNCH PROFESSNL C		1,004,500	1,000,000	5,250	1FE
982526-AU-9	WIRIGLEY WM JR CO 144A		.01/23/2014	RBC CAPITAL MARKETS CORP		65,184	65,000	393	2FE
06739F-HT-1	BARCLAYS BK PLC	R	.02/12/2014	BARCLAYS CAPITAL INC		199,990	200,000	0	1FE
06739G-BP-3	BARCLAYS BK PLC	R	.02/19/2014	BARCLAYS CAPITAL INC		259,358	240,000	4,298	2FE
404280-AP-4	HSBC HLDGS PLC	R	.03/05/2014	HSBC SECURITIES, INC.		198,680	200,000	0	1FE
404280-AQ-2	HSBC HLDGS PLC	R	.03/05/2014	HSBC SECURITIES, INC.		197,824	200,000	0	1FE
0B99KD-QQ-0	IFC DEV CORP	R	.01/13/2014	MITSUBISHI TRUST & BANKIN		194,504	205,000	744	1FE
53947N-AA-2	LLOYDS TSB BANK PLC 144A	R	.02/12/2014	VARIOUS		573,451	500,000	12,639	2FE
552081-AG-6	LYONDELLBASELL INDUSTRIES NV	R	.03/28/2014	GOLDMAN, SACHS & CO.		321,433	290,000	6,686	2FE
55608P-AD-6	MACQUARIE BK LTD 144A	R	.02/25/2014	MERRILL LYNCH PROFESSNL C		500,000	500,000	0	1FE
71647N-AB-5	PETROBRAS GLBL FIN B V	R	.01/22/2014	NOMURA SECURITIES INTL		102,365	108,000	108	2FE
71647N-AM-1	PETROBRAS GLBL FIN B V	R	.03/10/2014	SALOMON SMITH BARNEY INC/		374,145	375,000	0	2FE
71645W-AP-6	PETROBRAS INTL FIN CO	R	.01/22/2014	EUROPEAN SECURITIES CORP		119,577	115,000	129	2FE
71656L-AY-7	PETROLEOS MEXICANOS MTN 144A	R	.01/27/2014	VARIOUS		1,001,508	1,000,000	744	2FE
76720A-AC-0	RIO TINTO FIN USA PLC	R	.03/18/2014	BNY CAPITAL MARKETS, INC		19,901	20,000	348	1FE
76720A-AF-3	RIO TINTO FIN USA PLC	R	.03/20/2014	VARIOUS		18,806	20,000	54	1FE
78010X-AK-7	ROYAL BK OF SCOTLAND PLC	R	.01/22/2014	CHASE SECURITIES, INC.		520,857	450,000	1,225	1FE
80283L-AA-1	SANTANDER UK PLC 144A	R	.03/24/2014	HSBC SECURITIES, INC.		205,648	200,000	3,889	2FE
0B9959-N4-1	SUN HUNG KAI PPTYS CAP MKT LTD	R	.01/13/2014	CITIBANK CP/IPA		198,555	210,000	0	1FE
92857W-BA-7	VODAFONE GROUP PLC NEW	R	.02/20/2014	BOENNING & SCATTERGOOD IN		2,003,620	2,000,000	300	1FE
3899999. Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)						21,127,116	20,577,947	142,062	XXX
8399997. Total - Bonds - Part 3						106,913,575	107,731,436	547,549	XXX
8399998. Total - Bonds - Part 5						XXX	XXX	XXX	XXX
8399999. Total - Bonds						106,913,575	107,731,436	547,549	XXX
8999997. Total - Preferred Stocks - Part 3						0	XXX	0	XXX
8999998. Total - Preferred Stocks - Part 5						XXX	XXX	XXX	XXX
8999999. Total - Preferred Stocks						0	XXX	0	XXX
922908-88-4	VANGUARD EXTENDED MKT INDEX INSTL		.01/08/2014	VANGUARD GROUP	119,674,485	7,500,000		0	L
9299999. Subtotal - Common Stocks - Mutual Funds						7,500,000	XXX	0	XXX
9799997. Total - Common Stocks - Part 3						7,500,000	XXX	0	XXX
9799998. Total - Common Stocks - Part 5						XXX	XXX	XXX	XXX
9799999. Total - Common Stocks						7,500,000	XXX	0	XXX
9899999. Total - Preferred and Common Stocks						7,500,000	XXX	0	XXX
9999999 - Totals						114,413,575	XXX	547,549	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....0

STATEMENT AS OF MARCH 31, 2014 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	For-ign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recogn-ized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Con-tractual Maturity Date	NAIC Desig-nation or Market In-dicator (a)
36202F-M7-8	GNMA 11 POOL #004882 4.000%		03/20/2014	PRINCIPAL RECEIPT		7,033	7,033	7,646	7,642	.0	(610)	.0	(610)	.0	7,033	.0	.0	.0	39	12/20/2040	1
36179M-2N-9	GNMA PASS-THRU M SINGLE FAMILY		03/20/2014	PRINCIPAL RECEIPT		8,288	8,288	7,773	7,778	.0	511	.0	511	.0	8,288	.0	.0	.0	26	02/20/2043	1
36179M-CH-1	GNMA PASS-THRU M SINGLE FAMILY		02/20/2014	VARIOUS		274,711	270,787	283,099	282,698	.0	(362)	.0	(362)	.0	282,337	.0	(7,626)	(7,626)	1,305	05/20/2027	1
36179M-K6-6	GNMA PASS-THRU M SINGLE FAMILY		03/20/2014	PRINCIPAL RECEIPT		6,553	6,553	6,894	6,890	.0	(337)	.0	(337)	.0	6,553	.0	.0	.0	26	08/20/2042	1
36179M-MX-5	GNMA PASS-THRU M SINGLE FAMILY		02/20/2014	VARIOUS		404,801	398,991	420,187	419,697	.0	(525)	.0	(525)	.0	419,172	.0	(14,371)	(14,371)	1,928	09/20/2027	1
36179M-NH-9	GNMA PASS-THRU M SINGLE FAMILY		03/20/2014	PRINCIPAL RECEIPT		4,861	4,861	5,301	5,297	.0	(437)	.0	(437)	.0	4,861	.0	.0	.0	23	09/20/2042	1
36179M-VR-8	GNMA PASS-THRU M SINGLE FAMILY		03/20/2014	VARIOUS		83,854	86,634	91,172	91,153	.0	(369)	.0	(369)	.0	90,784	.0	(6,930)	(6,930)	62	12/20/2042	1
36179M-X2-1	GNMA PASS-THRU M SINGLE FAMILY		03/20/2014	PRINCIPAL RECEIPT		7,325	7,325	6,803	5,007	.0	526	.0	526	.0	7,325	.0	.0	.0	24	01/20/2043	1
36179N-CX-4	GNMA PASS-THRU M SINGLE FAMILY		03/20/2014	VARIOUS		637,604	626,471	628,882	628,836	.0	(83)	.0	(83)	.0	628,753	.0	8,851	8,851	3,750	05/20/2028	1
36179N-DQ-8	GNMA PASS-THRU M SINGLE FAMILY		01/20/2014	VARIOUS		304,128	315,277	322,223	322,952	.0	(54)	.0	(54)	.0	322,899	.0	(18,771)	(18,771)	919	05/20/2043	1
36179N-DR-6	GNMA PASS-THRU M SINGLE FAMILY		03/20/2014	PRINCIPAL RECEIPT		6,566	6,566	6,859	6,858	.0	(292)	.0	(292)	.0	6,566	.0	.0	.0	31	05/20/2043	1
36179N-F6-0	GNMA PASS-THRU M SINGLE FAMILY		03/20/2014	VARIOUS		555,390	560,572	549,965	549,882	.0	176	.0	176	.0	550,058	.0	5,332	5,332	3,358	06/20/2043	1
36179N-FD-5	GNMA PASS-THRU M SINGLE FAMILY		02/20/2014	VARIOUS		106,992	105,448	105,669	105,665	.0	(5)	.0	(5)	.0	105,660	.0	1,332	1,332	510	06/20/2028	1
36179N-TC-2	GNMA PASS-THRU M SINGLE FAMILY		01/20/2014	VARIOUS		268,716	278,592	270,634	270,619	.0	34	.0	34	.0	270,653	.0	(1,937)	(1,937)	812	11/20/2043	1
36202F-OP-9	GNMA PASS-THRU M SINGLE FAMILY		03/20/2014	PRINCIPAL RECEIPT		5,765	5,765	6,334	6,357	.0	(592)	.0	(592)	.0	5,765	.0	.0	.0	37	11/20/2039	1
36202F-GE-0	GNMA PASS-THRU M SINGLE FAMILY		03/20/2014	PRINCIPAL RECEIPT		3,886	3,886	4,270	4,285	.0	(399)	.0	(399)	.0	3,886	.0	.0	.0	25	05/20/2040	1
36202F-GY-6	GNMA PASS-THRU M SINGLE FAMILY		03/20/2014	PRINCIPAL RECEIPT		5,802	5,802	6,375	6,398	.0	(596)	.0	(596)	.0	5,802	.0	.0	.0	38	06/20/2040	1
36202F-LQ-7	GNMA PASS-THRU M SINGLE FAMILY		03/20/2014	PRINCIPAL RECEIPT		6,910	6,910	7,592	7,620	.0	(710)	.0	(710)	.0	6,910	.0	.0	.0	49	10/20/2040	1
36202F-MA-1	GNMA PASS-THRU M SINGLE FAMILY		03/20/2014	PRINCIPAL RECEIPT		23,078	23,078	25,072	25,068	.0	(1,990)	.0	(1,990)	.0	23,078	.0	.0	.0	119	11/20/2040	1
36241K-T4-0	GNMA PASS-THRU X PLATINUM 30YR		01/01/2014	DONATION/WO		.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	08/15/2038	1
36241L-DM-5	GNMA PASS-THRU X PLATINUM 30YR		03/15/2014	PRINCIPAL RECEIPT		58,570	58,570	63,787	63,760	.0	(5,190)	.0	(5,190)	.0	58,570	.0	.0	.0	374	11/15/2039	1
36176X-KP-3	GNMA PASS-THRU X SINGLE FAMILY		03/15/2014	PRINCIPAL RECEIPT		25,996	25,996	27,430	27,414	.0	(1,418)	.0	(1,418)	.0	25,996	.0	.0	.0	107	04/15/2042	1
3620C0-2Y-3	GNMA PASS-THRU X SINGLE FAMILY		03/15/2014	PRINCIPAL RECEIPT		51,898	51,898	57,039	57,047	.0	(5,149)	.0	(5,149)	.0	51,898	.0	.0	.0	245	07/15/2040	1
3620C0-ZB-7	GNMA PASS-THRU X SINGLE FAMILY		03/15/2014	PRINCIPAL RECEIPT		62,998	62,998	69,239	69,248	.0	(6,250)	.0	(6,250)	.0	62,998	.0	.0	.0	279	06/15/2040	1
36296T-SS-3	GNMA PASS-THRU X SINGLE FAMILY		01/29/2014	VARIOUS		637,275	579,423	646,238	646,888	.0	(1,592)	.0	(1,592)	.0	645,296	.0	(8,021)	(8,021)	5,307	10/15/2038	1
36296X-JP-0	GNMA PASS-THRU X SINGLE FAMILY		02/03/2014	VARIOUS		682,041	620,708	692,967	690,612	.0	(2,355)	.0	(2,355)	.0	656,612	.0	(8,571)	(8,571)	5,656	01/15/2039	1
36225A-4V-9	GNMA POOL #780836		03/15/2014	PRINCIPAL RECEIPT		1,993	1,993	2,117	2,054	.0	(61)	.0	(61)	.0	1,993	.0	.0	.0	18	04/15/2020	1
38378B-P8-6	GNMA REMIC TRUST 2012-123		03/16/2014	PRINCIPAL RECEIPT		10,407	10,407	10,433	10,432	.0	(25)	.0	(25)	.0	10,407	.0	.0	.0	12	07/16/2046	1
83162C-LT-8	SMALL BUS ADMIN GTD DEV PTC		03/03/2014	PRINCIPAL RECEIPT		29,838	29,838	31,852	29,838	.0	.0	.0	.0	.0	29,838	.0	.0	.0	913	09/01/2021	1
83162C-KM-4	SMALL BUSINESS ADMIN GTD 00-20A		01/01/2014	PRINCIPAL RECEIPT		4,214	4,214	4,214	4,214	.0	.0	.0	.0	.0	4,214	.0	.0	.0	.0	01/01/2020	1
912810-QZ-4	UNITED STATES TREAS BDS		03/27/2014	VARIOUS		2,449,644	2,730,000	2,417,657	2,419,138	.0	717	.0	717	.0	2,419,855	.0	29,789	29,789	43,847	02/15/2043	1
				BOENNING & SCATTERGOOD																	
912810-RB-6	UNITED STATES TREAS BDS		01/31/2014	IN		10,338,750	12,000,000	10,286,250	.0	.0	361	.0	361	.0	10,286,611	.0	52,139	52,139	76,243	05/15/2043	1
912810-RD-2	UNITED STATES TREAS BDS		03/10/2014	VARIOUS		35,386,406	35,000,000	35,116,250	10,763,033	.0	147	.0	147	.0	35,116,618	.0	269,789	269,789	363,398	11/15/2040	1
912828-SB-7	UNITED STATES TREAS NTS		01/31/2014	MATURITY		5,000,000	5,000,000	5,000,977	5,000,059	.0	(59)	.0	(59)	.0	5,000,000	.0	.0	.0	6,250	01/31/2014	1
912828-SG-6	UNITED STATES TREAS NTS		02/28/2014	MATURITY		8,750,000	8,750,000	8,731,290	8,748,454	.0	1,546	.0	1,546	.0	8,750,000	.0	.0	.0	10,938	02/28/2014	1
912828-SJ-0	UNITED STATES TREAS NTS		03/20/2014	VARIOUS		1,783,622	1,785,000	1,787,059	1,786,933	.0	(108)	.0	(108)	.0	1,786,826	.0	(3,203)	(3,203)	7,537	02/28/2017	1
912828-WD-8	UNITED STATES TREAS NTS		03/20/2014	VARIOUS		2,513,946	2,550,000	2,503,591	.0	.0	858	.0	858	.0	2,504,449	.0	9,497	9,497	9,199	10/31/2018	1
911760-PP-3	US VA VENDEE MTG TR 2002-1		03/15/2014	PRINCIPAL RECEIPT		65,899	65,899	78,420	78,225	.0	(12,326)	.0	(12,326)	.0	65,899	.0	.0	.0	447	08/15/2031	1
0599999	Subtotal - Bonds - U.S. Governments					70,575,760	72,055,783	70,288,877	33,160,406	0	(37,018)	0	(37,018)	0	70,268,463	0	307,299	307,299	543,851	XXX	XXX
168863-AV-0	CHILE REP	R	03/13/2014	CITIGROUP GLOBAL MARKET I		191,520	180,000	195,840	192,861	.0	(358)	.0	(358)	.0	192,503	.0	(983)	(983)	4,321	08/05/2020	1FE
698299-AX-2	PANAMA REP GLBL	R	03/12/2014	MORGAN STANLEY & CO. INC		110,750	100,000	107,924	107,797	.0	(226)	.0	(226)	.0	107,571	.0	3,179	3,179	3,279	01/30/2020	2FE
731011-AS-1	POLAND REP GLBL NT	R	02/06/2014	EUROCLEAR BANK S.A.		256,323	245,000	259,036	251,779	.0	(378)	.0	(378)	.0	251,401	.0	4,922	4,922	5,295	07/16/2015	1FE
1099999	Subtotal - Bonds - All Other Governments					558,593	525,000	562,800	552,437	0	(962)	0	(962)	0	551,475	0	7,118	7,118	12,895	XXX	XXX
13063A-SG-5	CALIFORNIA ST GO		03/17/2014	VARIOUS		333,605	250,000	242,115	242,443	.0	4	.0	4	.0	242,447	.0	91,158	91,158	5,746	04/01/2039	1FE
419791-DS-4	HAWAII ST		02/27/2014	VARIOUS		187,549	160,000	198,037	192,104	.0	(506)	.0	(506)	.0	191,598	.0	(4,050)	(4,050)	1,899	12/01/2023	1FE
57582P-F7-0	MASSACHUSETTS ST		03/27/2014	CHASE SECURITIES, INC.		63,559	55,000	65,053	63,233	.0	(284)	.0	(284)	.0	62,949	.0	609	609	917	06/01/2025	1FE
70914P-SK-9	PENNSYLVANIA ST		01/09/2014	BARCLAYS CAPITAL INC		159,272	140,000	171,759	166,952	.0	(64)	.0	(64)	.0	166,888	.0	(7,615)	(7,615)	836	06/01/2024	1FE
70914P-TD-4	PENNSYLVANIA ST		01/29/2014	THE PRINCERIDGE GROUP LLC		154,974	130,000	165,506	161,062	.0	(302)	.0	(302)	.0	160,760	.0	(5,785)	(5,785)	3,828	07/01/2021	1FE
1799999	Subtotal - Bonds - U.S. States, Territories and Possessions					898,959	735,000	842,470	825,794	0	(1,152)	0	(1,152)	0	824,642	0	74,317	74,317	13,226	XXX	XXX
235308-SK-0	DALLAS TEX INDPT SCH DIST		03/12/2014	DEPPA FIRST ALBANY SECURI		50,886	45,000	55,701	54,592	.0	(199)	.0	(199)	.0	54,393	.0	(3,507)	(3,507)	1,325	08/15/2029	1FE

STATEMENT AS OF MARCH 31, 2014 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	For-eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recogn-ized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received DuringYear	Stated Con-tractual Maturity Date	NAIC Design-ation or Market In-dicator (a)
544646-ZR-6	LOS ANGELES CALIF UNI SCH DIST GO		03/26/2014	RAYMOND JAMES & ASSOCIATE		390,714	300,000	300,000	300,000	.0	.0	.0	.0	.0	300,000	.0	90,714	90,714	15,206	07/01/2034	1FE
930863-T6-2	WAKE CNTY N C		03/05/2014	CITIGROUP GLOBAL MARKET		146,029	120,000	155,148	150,320	.0	(.539)	.0	(.539)	.0	149,781	.0	(3,752)	(3,752)	3,150	03/01/2023	1FE
2499999. Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						587,629	465,000	510,849	504,912	0	(738)	0	(738)	0	504,174	0	83,455	83,455	19,681	XXX	XXX
3128LX-S7-6	FHLMC GOLD #G02342		03/15/2014	PRINCIPAL RECEIPT		55,476	55,476	60,322	60,279	.0	(4,803)	.0	(4,803)	.0	55,476	.0	.0	.0	290	10/01/2036	1
3128M5-K5-8	FHLMC GOLD #G03616		03/15/2014	PRINCIPAL RECEIPT		46,058	46,058	51,096	51,059	.0	(5,000)	.0	(5,000)	.0	46,058	.0	.0	.0	281	12/01/2037	1
3128M5-NQ-9	FHLMC GOLD #G03699		03/15/2014	PRINCIPAL RECEIPT		28,564	28,564	31,157	31,126	.0	(2,562)	.0	(2,562)	.0	28,564	.0	.0	.0	186	01/01/2038	1
3128MT-6K-9	FHLMC PC GOLD 10/20 11		03/15/2014	PRINCIPAL RECEIPT		11,019	11,019	12,269	12,253	.0	(1,233)	.0	(1,233)	.0	11,019	.0	.0	.0	60	09/01/2037	1
3128UN-CE-0	FHLMC PC GOLD 10/20 11		03/15/2014	PRINCIPAL RECEIPT		25,929	25,929	26,306	26,295	.0	(366)	.0	(366)	.0	25,929	.0	.0	.0	182	09/01/2037	1
3128PR-ZK-8	FHLMC PC GOLD 15 YR		03/15/2014	PRINCIPAL RECEIPT		11,178	11,178	11,734	11,688	.0	(510)	.0	(510)	.0	11,178	.0	.0	.0	50	07/01/2025	1
3128PT-PH-0	FHLMC PC GOLD CASH 20		03/15/2014	PRINCIPAL RECEIPT		207,702	207,702	223,896	224,384	.0	(16,682)	.0	(16,682)	.0	207,702	.0	.0	.0	956	08/01/2030	1
3128BB-GV-0	FHLMC PC GOLD CASH 30		03/15/2014	PRINCIPAL RECEIPT		6,354	6,354	6,443	6,437	.0	(83)	.0	(83)	.0	6,354	.0	.0	.0	42	11/01/2032	1
3129ZH-GP-3	FHLMC PC GOLD CASH 30		03/15/2014	PRINCIPAL RECEIPT		273	273	276	276	.0	(3)	.0	(3)	.0	273	.0	.0	.0	3	12/01/2030	1
3129ZS-AB-6	FHLMC PC GOLD CASH 30		03/15/2014	PRINCIPAL RECEIPT		33,733	33,733	35,172	35,171	.0	(1,437)	.0	(1,437)	.0	33,733	.0	.0	.0	96	06/01/2042	1
3129ZS-AG-5	FHLMC PC GOLD CASH 30		03/15/2014	PRINCIPAL RECEIPT		3,325	3,325	3,553	3,551	.0	(227)	.0	(227)	.0	3,325	.0	.0	.0	12	08/01/2042	1
3132L5-A2-9	FHLMC PC GOLD C1 30YR		03/15/2014	PRINCIPAL RECEIPT		2,078	2,078	2,158	2,158	.0	(80)	.0	(80)	.0	2,078	.0	.0	.0	6	04/01/2043	1
3128MC-AJ-1	FHLMC PC GOLD COMB 15		03/15/2014	PRINCIPAL RECEIPT		16,622	16,622	17,689	17,654	.0	(1,031)	.0	(1,031)	.0	16,622	.0	.0	.0	73	08/01/2026	1
3128MC-GV-1	FHLMC PC GOLD COMB 15		03/15/2014	PRINCIPAL RECEIPT		13,029	13,029	14,179	14,108	.0	(1,079)	.0	(1,079)	.0	13,029	.0	.0	.0	86	02/01/2024	1
3128MC-QG-3	FHLMC PC GOLD COMB 15		03/15/2014	PRINCIPAL RECEIPT		19,863	19,863	21,335	21,267	.0	(1,403)	.0	(1,403)	.0	19,863	.0	.0	.0	98	06/01/2025	1
3128MD-JG-9	FHLMC PC GOLD COMB 15		03/15/2014	PRINCIPAL RECEIPT		179,430	179,430	194,513	193,487	.0	(14,057)	.0	(14,057)	.0	179,430	.0	.0	.0	1,005	07/01/2025	1
3128MD-KB-8	FHLMC PC GOLD COMB 15		03/15/2014	PRINCIPAL RECEIPT		131,036	131,036	140,270	139,839	.0	(8,804)	.0	(8,804)	.0	131,036	.0	.0	.0	645	07/01/2026	1
3128MD-M3-4	FHLMC PC GOLD COMB 15		03/15/2014	PRINCIPAL RECEIPT		40,519	40,519	42,938	42,855	.0	(2,336)	.0	(2,336)	.0	40,519	.0	.0	.0	173	12/01/2024	1
3128MD-MX-8	FHLMC PC GOLD COMB 15		03/15/2014	PRINCIPAL RECEIPT		254,558	254,558	272,297	270,963	.0	(16,406)	.0	(16,406)	.0	254,558	.0	.0	.0	1,460	12/01/2026	1
3128MD-NK-5	FHLMC PC GOLD COMB 15		03/15/2014	PRINCIPAL RECEIPT		136,873	136,873	146,711	146,393	.0	(9,520)	.0	(9,520)	.0	136,873	.0	.0	.0	650	06/01/2026	1
3128MD-SE-4	FHLMC PC GOLD COMB 15		03/15/2014	VARIOUS		21,409	20,337	21,440	21,489	.0	(66)	.0	(66)	.0	21,423	.0	(14)	(14)	192	10/01/2026	1
3128MM-AG-8	FHLMC PC GOLD COMB 15		03/15/2014	PRINCIPAL RECEIPT		33,419	33,419	35,942	35,266	.0	(1,846)	.0	(1,846)	.0	33,419	.0	.0	.0	195	08/01/2019	1
3128MM-QT-3	FHLMC PC GOLD COMB 15		03/15/2014	PRINCIPAL RECEIPT		3,907	3,907	3,994	4,001	.0	(94)	.0	(94)	.0	3,907	.0	.0	.0	11	05/01/2028	1
31283H-6C-4	FHLMC PC GOLD COMB 30		03/15/2014	PRINCIPAL RECEIPT		49,606	49,606	50,559	50,499	.0	(893)	.0	(893)	.0	49,606	.0	.0	.0	353	12/01/2037	1
31283H-6D-2	FHLMC PC GOLD COMB 30		03/15/2014	PRINCIPAL RECEIPT		17,401	17,401	17,789	17,754	.0	(353)	.0	(353)	.0	17,401	.0	.0	.0	127	12/01/2031	1
3128LD-FV-1	FHLMC PC GOLD COMB 30		03/15/2014	PRINCIPAL RECEIPT		29,774	29,774	32,826	32,827	.0	(3,053)	.0	(3,053)	.0	29,774	.0	.0	.0	152	10/01/2037	1
3128M5-B7-4	FHLMC PC GOLD COMB 30		03/15/2014	PRINCIPAL RECEIPT		37,087	37,087	40,726	40,799	.0	(3,712)	.0	(3,712)	.0	37,087	.0	.0	.0	224	09/01/2037	1
3128M5-C5-7	FHLMC PC GOLD COMB 30		03/15/2014	PRINCIPAL RECEIPT		62,373	62,373	69,264	69,169	.0	(6,795)	.0	(6,795)	.0	62,373	.0	.0	.0	392	10/01/2037	1
3128M5-GQ-7	FHLMC PC GOLD COMB 30		03/15/2014	PRINCIPAL RECEIPT		36,977	36,977	41,062	41,005	.0	(4,028)	.0	(4,028)	.0	36,977	.0	.0	.0	239	07/01/2037	1
3128M5-QY-9	FHLMC PC GOLD COMB 30		03/15/2014	PRINCIPAL RECEIPT		233,029	233,029	257,886	258,244	.0	(25,215)	.0	(25,215)	.0	233,029	.0	.0	.0	1,648	01/01/2038	1
3128M6-EC-8	FHLMC PC GOLD COMB 30		03/15/2014	PRINCIPAL RECEIPT		85,641	85,641	92,693	92,676	.0	(7,036)	.0	(7,036)	.0	85,641	.0	.0	.0	497	02/01/2037	1
3128M6-NA-2	FHLMC PC GOLD COMB 30		03/15/2014	PRINCIPAL RECEIPT		95,946	95,946	103,412	103,759	.0	(7,814)	.0	(7,814)	.0	95,946	.0	.0	.0	556	02/01/2038	1
3128M7-YJ-9	FHLMC PC GOLD COMB 30		03/15/2014	PRINCIPAL RECEIPT		41,122	41,122	44,675	44,729	.0	(3,607)	.0	(3,607)	.0	41,122	.0	.0	.0	286	12/01/2039	1
3128M8-BL-3	FHLMC PC GOLD COMB 30		03/15/2014	PRINCIPAL RECEIPT		91,027	91,027	100,129	100,140	.0	(9,113)	.0	(9,113)	.0	91,027	.0	.0	.0	523	12/01/2038	1
3128M8-CW-2	FHLMC PC GOLD COMB 30		03/15/2014	PRINCIPAL RECEIPT		6,507	6,507	7,320	7,324	.0	(817)	.0	(817)	.0	6,507	.0	.0	.0	49	09/01/2038	1
3128M8-H5-6	FHLMC PC GOLD COMB 30		03/15/2014	PRINCIPAL RECEIPT		1,105	1,105	1,149	1,149	.0	(44)	.0	(44)	.0	1,105	.0	.0	.0	4	02/01/2041	1
3128M8-H6-2	FHLMC PC GOLD COMB 30		03/15/2014	PRINCIPAL RECEIPT		1,108	1,108	1,167	1,168	.0	(59)	.0	(59)	.0	1,108	.0	.0	.0	5	12/01/2040	1
3128M8-R3-0	FHLMC PC GOLD COMB 30		03/15/2014	PRINCIPAL RECEIPT		3,119	3,119	3,356	3,355	.0	(237)	.0	(237)	.0	3,119	.0	.0	.0	13	12/01/2040	1
3128M8-Z7-2	FHLMC PC GOLD COMB 30		03/15/2014	PRINCIPAL RECEIPT		29,704	29,704	32,394	32,419	.0	(2,715)	.0	(2,715)	.0	29,704	.0	.0	.0	171	09/01/2041	1
3128M9-B7-6	FHLMC PC GOLD COMB 30		03/15/2014	PRINCIPAL RECEIPT		355,477	355,477	393,635	393,583	.0	(38,106)	.0	(38,106)	.0	355,477	.0	.0	.0	2,273	05/01/2040	1
3128M9-D7-4	FHLMC PC GOLD COMB 30		03/15/2014	PRINCIPAL RECEIPT		60,920	60,920	64,955	65,164	.0	(4,245)	.0	(4,245)	.0	60,920	.0	.0	.0	278	06/01/2042	1
3128M9-PP-2	FHLMC PC GOLD COMB 30		03/15/2014	PRINCIPAL RECEIPT		162,185	162,185	179,417	179,607	.0	(17,422)	.0	(17,422)	.0	162,185	.0	.0	.0	939	01/01/2040	1
3128M9-LV-2	FHLMC PC GOLD COMB 30		03/15/2014	PRINCIPAL RECEIPT		4,479	4,479	4,679	4,688	.0	(209)	.0	(209)	.0	4,479	.0	.0	.0	14	12/01/2042	1
3128M9-W5-7	FHLMC PC GOLD COMB 30		03/15/2014	PRINCIPAL RECEIPT		290,929	290,929	310,181	310,180	.0	(19,250)	.0	(19,250)	.0	290,929	.0	.0	.0	1,329	09/01/2041	1
3128MJ-04-5	FHLMC PC GOLD COMB 30		03/15/2014	PRINCIPAL RECEIPT		13,445	13,445	14,218	14,218	.0	(776)	.0	(776)	.0	13,445	.0	.0	.0	57	01/01/2042	1
3128MJ-09-4	FHLMC PC GOLD COMB 30		03/15/2014	PRINCIPAL RECEIPT		55,028	55,028	58,571	58,553	.0	(3,524)	.0	(3,524)	.0	55,028	.0	.0	.0	217	03/01/2042	1
3128MJ-SY-7	FHLMC PC GOLD COMB 30		03/15/2014	PRINCIPAL RECEIPT		1,184	1,184	1,146	.0	.0	38	.0	38	.0	1,184	.0	.0	.0	.0	06/01/2043	1
3128MJ-TR-1	FHLMC PC GOLD COMB 30		03/15/2014	PRINCIPAL RECEIPT		15,360	15,360	16,385	16,440	.0	(1,080)	.0	(1,080)	.0	15,360	.0	.0	.0	62	11/01/2043	1
312931-C3-0	FHLMC PC GOLD COMB 30		03/15/2014	PRINCIPAL RECEIPT		67,741	67,741	74,134	74,182	.0	(6,441)	.0	(6,441)	.0	67,741	.0	.0	.0	441	02/01/2039	1
312936-NA-1	FHLMC PC GOLD COMB 30		03/15/2014	PRINCIPAL RECEIPT		22,582	22,582	24,096	24,107	.0	(1,525)	.0	(1,525)	.0	22,582	.0	.0	.0	109	10/01/2039	1
312941-SV-0	FHLMC PC GOLD COMB 30		03/15/2014	PRINCIPAL RECEIPT		780	780	833	833	.0	(53)	.0	(53)	.0	780	.0	.0	.0	3	08/01/2040	1
312943-QQ-3	FHLMC PC GOLD COMB 30		03/15/2014	PRINCIPAL RECEIPT		29,230	29,230	31,633	31,639	.0	(2,408)	.0	(2,408)	.0	29,230	.0	.0	.0	134	10/01/2040	1

STATEMENT AS OF MARCH 31, 2014 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	For-ign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Other Than Temporary Impairment Recogn-ized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Con-tractual Maturity Date	NAIC Desig-nation or Market In-dicator (a)
312943-UJ-0	FHLMC PC GOLD COMB 30		03/15/2014	PRINCIPAL RECEIPT		4,322	4,322	4,617	4,615	.0	(293)	.0	(293)	.0	4,322	.0	.0	.0	.18	11/01/2040	1
312944-FE-6	FHLMC PC GOLD COMB 30		03/15/2014	PRINCIPAL RECEIPT		1,926	1,926	2,038	2,039	.0	(112)	.0	(112)	.0	1,926	.0	.0	.0	.9	12/01/2040	1
312945-DS-4	FHLMC PC GOLD COMB 30		03/15/2014	PRINCIPAL RECEIPT		649	649	683	683	.0	(35)	.0	(35)	.0	649	.0	.0	.0	.3	01/01/2041	1
312945-XY-9	FHLMC PC GOLD COMB 30		03/15/2014	PRINCIPAL RECEIPT		4,818	4,818	5,085	5,086	.0	(268)	.0	(268)	.0	4,818	.0	.0	.0	.20	02/01/2041	1
31323K-2F-2	FHLMC PC GOLD PC 30YR		03/15/2014	PRINCIPAL RECEIPT		2,257	2,257	2,413	2,413	.0	(156)	.0	(156)	.0	2,257	.0	.0	.0	.10	12/01/2041	1
3132HM-K9-1	FHLMC PC GOLD PC 30YR		03/15/2014	PRINCIPAL RECEIPT		17,695	17,695	18,845	18,842	.0	(1,146)	.0	(1,146)	.0	17,695	.0	.0	.0	.67	09/01/2042	1
3132HQ-4K-5	FHLMC PC GOLD PC 30YR		03/15/2014	PRINCIPAL RECEIPT		8,846	8,846	9,259	9,262	.0	(416)	.0	(416)	.0	8,846	.0	.0	.0	.34	01/01/2043	1
31290K-VZ-9	FHLMC PC GUAR 30 YEAR		03/15/2014	PRINCIPAL RECEIPT		686	686	700	690	.0	(4)	.0	(4)	.0	686	.0	.0	.0	.6	07/01/2020	1
31300M-AM-5	FHLMC PC GUAR ADJ 30YR		03/15/2014	PRINCIPAL RECEIPT		233,627	233,627	237,861	237,852	.0	(4,226)	.0	(4,226)	.0	233,627	.0	.0	.0	.551	03/01/2043	1
31322Y-U3-3	FHLMC PC JUMBO 30 YEAR		03/15/2014	PRINCIPAL RECEIPT		32,886	32,886	33,318	33,320	.0	(433)	.0	(433)	.0	32,886	.0	.0	.0	.87	10/01/2042	1
31397C-K5-7	FHLMC REMIC SERIES 3243		03/15/2014	PRINCIPAL RECEIPT		51,043	51,043	54,680	54,192	.0	(3,149)	.0	(3,149)	.0	51,043	.0	.0	.0	.239	11/15/2036	1
3137AY-CD-1	FHLMC REMIC SERIES K-025		03/25/2014	PRINCIPAL RECEIPT		827	827	844	842	.0	(15)	.0	(15)	.0	827	.0	.0	.0	.2	04/25/2022	1
31392M-EM-0	FHLMC REMIC SERIES T0041		03/25/2014	PRINCIPAL RECEIPT		4,708	4,708	4,890	4,703	.0	.5	.0	.5	.0	4,708	.0	.0	.0	.44	07/25/2032	1
31359S-P6-9	FNMA GRANTOR TRUST 2001-T4		03/25/2014	PRINCIPAL RECEIPT		7,048	7,048	7,271	7,073	.0	(25)	.0	(25)	.0	7,048	.0	.0	.0	.70	07/25/2028	1
31392F-DC-8	FNMA GRANTOR TRUST 2002-T16		03/25/2014	PRINCIPAL RECEIPT		26,196	26,196	26,850	26,680	.0	(485)	.0	(485)	.0	26,196	.0	.0	.0	.182	07/25/2042	1
31381D-IY-5	FNMA PASS-THRU GNM-BK MGA 30		03/25/2014	PRINCIPAL RECEIPT		794	794	805	800	.0	(6)	.0	(6)	.0	794	.0	.0	.0	.8	05/20/2023	1
31405F-D5-8	FNMA PASS-THRU GOV SINGLE FAM		03/25/2014	PRINCIPAL RECEIPT		581	581	613	610	.0	(29)	.0	(29)	.0	581	.0	.0	.0	.6	10/01/2032	1
31384V-ML-3	FNMA PASS-THRU INT 15 YEAR		03/25/2014	PRINCIPAL RECEIPT		4,859	4,859	5,012	4,854	.0	.4	.0	.4	.0	4,859	.0	.0	.0	.45	12/01/2014	1
313847-G6-9	FNMA PASS-THRU INT 15 YEAR		03/25/2014	PRINCIPAL RECEIPT		6,430	6,430	6,736	6,713	.0	(282)	.0	(282)	.0	6,430	.0	.0	.0	.34	02/01/2026	1
31384F-KH-2	FNMA PASS-THRU INT 15 YEAR		03/25/2014	PRINCIPAL RECEIPT		6,691	6,691	7,150	7,136	.0	(445)	.0	(445)	.0	6,691	.0	.0	.0	.37	05/01/2026	1
3138EH-U8-3	FNMA PASS-THRU INT 15 YEAR		03/25/2014	VARIOUS		227,082	215,272	227,347	226,862	.0	(605)	.0	(605)	.0	226,257	.0	824	824	2,037	12/01/2026	1
3138EJ-KA-5	FNMA PASS-THRU INT 15 YEAR		03/25/2014	PRINCIPAL RECEIPT		10,930	10,930	11,679	11,666	.0	(736)	.0	(736)	.0	10,930	.0	.0	.0	.57	09/01/2026	1
3138EJ-IY-0	FNMA PASS-THRU INT 15 YEAR		03/25/2014	VARIOUS		71,870	71,600	71,813	71,957	.0	(91)	.0	(91)	.0	71,867	.0	.3	.3	211	10/01/2027	1
3138EL-TE-3	FNMA PASS-THRU INT 15 YEAR		03/25/2014	PRINCIPAL RECEIPT		139,346	139,346	148,338	148,224	.0	(8,878)	.0	(8,878)	.0	139,346	.0	.0	.0	.849	01/01/2027	1
3138LY-2K-2	FNMA PASS-THRU INT 15 YEAR		03/25/2014	PRINCIPAL RECEIPT		12,094	12,094	12,759	12,750	.0	(655)	.0	(655)	.0	12,094	.0	.0	.0	.48	06/01/2027	1
3138MD-2T-8	FNMA PASS-THRU INT 15 YEAR		03/25/2014	PRINCIPAL RECEIPT		15,287	15,287	15,971	15,961	.0	(674)	.0	(674)	.0	15,287	.0	.0	.0	.52	10/01/2027	1
3138WP-JE-5	FNMA PASS-THRU INT 15 YEAR		03/25/2014	PRINCIPAL RECEIPT		3,159	3,159	3,312	3,315	.0	(156)	.0	(156)	.0	3,159	.0	.0	.0	.11	04/01/2028	1
31402D-FV-7	FNMA PASS-THRU INT 15 YEAR		03/25/2014	PRINCIPAL RECEIPT		28,959	28,959	30,441	29,442	.0	(483)	.0	(483)	.0	28,959	.0	.0	.0	.306	07/01/2017	1
31403D-OK-2	FNMA PASS-THRU INT 15 YEAR		03/25/2014	PRINCIPAL RECEIPT		58,823	58,823	59,889	59,466	.0	(643)	.0	(643)	.0	58,823	.0	.0	.0	.507	03/01/2021	1
31410L-EC-2	FNMA PASS-THRU INT 15 YEAR		03/25/2014	PRINCIPAL RECEIPT		25,568	25,568	27,733	27,515	.0	(1,947)	.0	(1,947)	.0	25,568	.0	.0	.0	.175	07/01/2024	1
31411A-JN-6	FNMA PASS-THRU INT 15 YEAR		03/25/2014	PRINCIPAL RECEIPT		40,635	40,635	41,283	41,112	.0	(476)	.0	(476)	.0	40,635	.0	.0	.0	.390	11/01/2021	1
31416B-OD-3	FNMA PASS-THRU INT 15 YEAR		03/25/2014	PRINCIPAL RECEIPT		59,817	59,817	64,986	64,090	.0	(4,272)	.0	(4,272)	.0	59,817	.0	.0	.0	.430	01/01/2021	1
31416Y-U3-0	FNMA PASS-THRU INT 15 YEAR		03/25/2014	PRINCIPAL RECEIPT		20,588	20,588	22,081	22,043	.0	(1,455)	.0	(1,455)	.0	20,588	.0	.0	.0	.142	07/01/2026	1
31417C-7C-3	FNMA PASS-THRU INT 15 YEAR		03/25/2014	PRINCIPAL RECEIPT		19,530	19,530	20,656	20,630	.0	(1,100)	.0	(1,100)	.0	19,530	.0	.0	.0	.81	09/01/2027	1
31417D-CC-5	FNMA PASS-THRU INT 15 YEAR		03/25/2014	PRINCIPAL RECEIPT		11,108	11,108	11,630	11,627	.0	(519)	.0	(519)	.0	11,108	.0	.0	.0	.40	10/01/2027	1
31418A-EG-9	FNMA PASS-THRU INT 15 YEAR		03/25/2014	VARIOUS		489,908	464,168	492,327	491,443	.0	(1,033)	.0	(1,033)	.0	490,410	.0	(502)	(502)	4,406	04/01/2027	1
31416W-SZ-1	FNMA PASS-THRU INT 20 YEAR		03/25/2014	PRINCIPAL RECEIPT		20,254	20,254	21,571	21,602	.0	(1,347)	.0	(1,347)	.0	20,254	.0	.0	.0	.109	11/01/2030	1
31368H-LZ-4	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		99,751	99,751	105,362	105,264	.0	(5,513)	.0	(5,513)	.0	99,751	.0	.0	.0	.813	12/01/2033	1
31371K-T9-2	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		6,557	6,557	6,578	6,573	.0	(16)	.0	(16)	.0	6,557	.0	.0	.0	.52	09/01/2032	1
31371N-H4-0	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		17,971	17,971	18,832	18,808	.0	(837)	.0	(837)	.0	17,971	.0	.0	.0	.177	08/01/2037	1
3138A2-BX-6	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		12,314	12,314	13,245	13,252	.0	(939)	.0	(939)	.0	12,314	.0	.0	.0	.71	12/01/2040	1
3138EH-JW-3	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		36,526	36,526	41,229	41,283	.0	(4,757)	.0	(4,757)	.0	36,526	.0	.0	.0	.294	10/01/2039	1
3138EK-F5-9	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		4,185	4,185	4,516	4,516	.0	(331)	.0	(331)	.0	4,185	.0	.0	.0	.20	12/01/2041	1
3138MD-ZA-3	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	VARIOUS		29,315	29,196	30,159	30,154	.0	(25)	.0	(25)	.0	30,129	.0	(814)	(814)	321	10/01/2042	1
3138MQ-TX-9	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		31	31	29	29	.0	.2	.0	.2	.0	31	.0	.0	.0	.0	12/01/2042	1
3138MR-K6-7	FNMA PASS-THRU LNG 30 YEAR</																				



STATEMENT AS OF MARCH 31, 2014 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	For-ign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Other Than Temporary Impairment Recogn-ized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Con-tractual Maturity Date	NAIC Desig-nation or Market In-dicator (a)
31402R-JV-2	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		63,105	63,105	68,814	68,835	.0	(5,730)	.0	(5,730)	.0	63,105	.0	.0	.0	385	07/01/2035	1
31402R-LZ-0	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		4,882	4,882	5,438	5,438	.0	(556)	.0	(556)	.0	4,882	.0	.0	.0	34	08/01/2035	1
31410K-DN-1	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		202,642	202,642	222,305	222,572	.0	(19,930)	.0	(19,930)	.0	202,642	.0	.0	.0	1,349	05/01/2038	1
31410K-T8-7	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		54,059	54,059	59,634	59,839	.0	(5,779)	.0	(5,779)	.0	54,059	.0	.0	.0	466	05/01/2037	1
31410K-US-1	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		54,371	54,371	59,948	59,962	.0	(5,592)	.0	(5,592)	.0	54,371	.0	.0	.0	385	08/01/2037	1
31410K-XM-1	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		104,975	104,975	116,758	116,716	.0	(11,740)	.0	(11,740)	.0	104,975	.0	.0	.0	895	10/01/2038	1
31410L-DU-3	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		2,179	2,179	2,339	2,340	.0	(161)	.0	(161)	.0	2,179	.0	.0	.0	9	02/01/2041	1
31410L-MN-9	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		3,539	3,539	3,441	.0	.0	98	.0	98	.0	3,539	.0	.0	.0	9	11/01/2043	1
31411B-GT-4	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		38,472	38,472	42,175	42,289	.0	(3,816)	.0	(3,816)	.0	38,472	.0	.0	.0	448	12/01/2036	1
31416C-JV-9	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		69,207	69,207	76,906	76,929	.0	(7,722)	.0	(7,722)	.0	69,207	.0	.0	.0	567	11/01/2038	1
31416W-H3-9	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		38,060	38,060	41,634	41,673	.0	(3,613)	.0	(3,613)	.0	38,060	.0	.0	.0	218	06/01/2040	1
31416X-J7-6	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	VARIOUS		139,985	135,582	143,622	143,645	.0	(2,923)	.0	(2,923)	.0	140,722	.0	(737)	(737)	868	01/01/2041	1
31417D-2G-7	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		2,128	2,128	2,234	2,234	.0	(106)	.0	(106)	.0	2,128	.0	.0	.0	9	11/01/2042	1
31417D-3H-4	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		4,109	4,109	4,325	4,333	.0	(224)	.0	(224)	.0	4,109	.0	.0	.0	15	11/01/2042	1
31417D-F9-9	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		1,288	1,288	1,362	1,362	.0	(74)	.0	(74)	.0	1,288	.0	.0	.0	4	10/01/2042	1
31417D-GE-7	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		1,436	1,436	1,399	1,400	.0	37	.0	37	.0	1,436	.0	.0	.0	5	10/01/2042	1
31417D-LP-6	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	VARIOUS		269,967	266,559	280,356	280,343	.0	(1,005)	.0	(1,005)	.0	279,338	.0	(9,371)	(9,371)	1,712	10/01/2042	1
31417D-MU-4	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		720	720	758	757	.0	(38)	.0	(38)	.0	720	.0	.0	.0	4	10/01/2042	1
31417D-MV-2	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		2,418	2,418	2,547	2,546	.0	(128)	.0	(128)	.0	2,418	.0	.0	.0	8	10/01/2042	1
31417D-QW-6	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		5,178	5,178	5,448	5,447	.0	(268)	.0	(268)	.0	5,178	.0	.0	.0	16	10/01/2042	1
31417E-CK-5	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		4,035	4,035	4,171	4,180	.0	(145)	.0	(145)	.0	4,035	.0	.0	.0	19	12/01/2042	1
31417E-WG-2	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		5,200	5,200	5,356	5,366	.0	(167)	.0	(167)	.0	5,200	.0	.0	.0	19	02/01/2043	1
31417V-W6-6	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		23,467	23,467	25,165	25,161	.0	(1,694)	.0	(1,694)	.0	23,467	.0	.0	.0	133	12/01/2039	1
31417Y-W4-5	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		18,250	18,250	19,653	19,665	.0	(1,414)	.0	(1,414)	.0	18,250	.0	.0	.0	142	03/01/2041	1
31418M-2T-8	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		7,360	7,360	8,150	8,151	.0	(791)	.0	(791)	.0	7,360	.0	.0	.0	55	10/01/2039	1
31418M-G3-0	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		116,296	116,296	124,031	123,802	.0	(7,505)	.0	(7,505)	.0	116,296	.0	.0	.0	952	08/01/2037	1
31418M-G4-8	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		48,255	48,255	53,759	53,760	.0	(5,505)	.0	(5,505)	.0	48,255	.0	.0	.0	318	09/01/2036	1
31418M-GG-1	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		114,700	114,700	126,332	126,183	.0	(11,483)	.0	(11,483)	.0	114,700	.0	.0	.0	786	09/01/2038	1
31419A-G4-3	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		4,792	4,792	5,181	5,181	.0	(390)	.0	(390)	.0	4,792	.0	.0	.0	26	08/01/2040	1
31419A-NJ-2	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		77,067	77,067	84,557	84,591	.0	(7,523)	.0	(7,523)	.0	77,067	.0	.0	.0	509	12/01/2039	1
31419A-P5-0	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		14,078	14,078	15,913	15,923	.0	(1,844)	.0	(1,844)	.0	14,078	.0	.0	.0	114	10/01/2039	1
31419A-VS-3	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		7,593	7,593	8,005	8,029	.0	(436)	.0	(436)	.0	7,593	.0	.0	.0	43	11/01/2040	1
31419B-BT-1	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		4,718	4,718	5,033	5,033	.0	(315)	.0	(315)	.0	4,718	.0	.0	.0	22	02/01/2041	1
31419F-FV-3	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		7,644	7,644	8,195	8,200	.0	(556)	.0	(556)	.0	7,644	.0	.0	.0	35	11/01/2040	1
31419J-SV-1	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		7,713	7,713	8,184	8,188	.0	(475)	.0	(475)	.0	7,713	.0	.0	.0	36	11/01/2040	1
31371N-LS-2	FNMA PASS-THRU LNG 10 7-10YR		03/25/2014	PRINCIPAL RECEIPT		23,389	23,389	23,817	23,818	.0	(429)	.0	(429)	.0	23,389	.0	.0	.0	236	10/01/2037	1
31410G-LR-2	FNMA PASS-THRU LNG 10 7-10YR		03/25/2014	PRINCIPAL RECEIPT		29,979	29,979	32,213	32,249	.0	(2,270)	.0	(2,270)	.0	29,979	.0	.0	.0	189	10/01/2037	1
31413Q-PD-4	FNMA PASS-THRU LNG 10 7-10YR		03/25/2014	PRINCIPAL RECEIPT		95,090	95,090	97,854	97,854	.0	(2,763)	.0	(2,763)	.0	95,090	.0	.0	.0	797	10/01/2037	1
31418M-CG-5	FNMA PASS-THRU LNG 10 7-10YR		03/25/2014	PRINCIPAL RECEIPT		82,343	82,343	87,849	87,923	.0	(5,580)	.0	(5,580)	.0	82,343	.0	.0	.0	655	12/01/2037	1
31418M-XZ-0	FNMA PASS-THRU LNG 10 7-10YR		03/25/2014	PRINCIPAL RECEIPT		28,737	28,737	30,616	30,580	.0	(1,843)	.0	(1,843)	.0	28,737	.0	.0	.0	249	05/01/2038	1
31402C-SS-7	FNMA PASS-THRU MEGA MULTI 7		03/25/2014	PRINCIPAL RECEIPT		69,710	69,710	67,300	69,242	.0	467	.0	467	.0	69,710	.0	.0	.0	396	04/01/2014	1
31403D-GP-8	FNMA PASS-THRU MEGA MULTI 7		03/25/2014	PRINCIPAL RECEIPT		10,360	10,360	10,782	10,559	.0	(199)	.0	(199)	.0	10,360	.0	.0	.0	62	02/01/2016	1
31387D-3Q-0	FNMA POOL #581407		03/25/2014	PRINCIPAL RECEIPT		81	81	83	83	.0	(1)	.0	(1)	.0	81	.0	.0	.0	1	06/01/2031	1
31387H-3H-8	FNMA POOL #585013		02/25/2014	PRINCIPAL RECEIPT		627	627	653	625	.0	2	.0	2	.0	627	.0	.0	.0	5	06/01/2014	1
31410F-UC-7	FNMA POOL #888079 6.500%		03/25/2014	PRINCIPAL RECEIPT		36,717	36,717	37,550	37,429	.0	(712)	.0	(712)	.0	36,						

STATEMENT AS OF MARCH 31, 2014 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	For- eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid- eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor- tization)/ Accretion	Current Year's Other Than Temporary Impairment Recogn- ized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Con- tractual Maturity Date	NAIC Desig- nation or Market In- dicator (a)
02377U-AA-2	AMER AIRLINES PT TR 2013-2 144A		01/15/2014	Sink PMT @ 100.0000000 SALOMON SMITH BARNEY INC/		5,920	5,920	5,920	5,920	.0	.0	.0	.0	.0	5,920	.0	.0	.0	.0	.01/15/2023	1FE
037833-AK-6	APPLE INC		02/28/2014	PRINCIPAL RECEIPT		189,311	205,000	204,727	204,744	.0	.4	.0	.4	.0	204,747	.0	(15,436)	(15,436)	1,667	05/03/2023	1FE
059513-AE-1	BANC AMER QIBS 2007-4		03/10/2014	PRINCIPAL RECEIPT		117,159	117,159	134,303	126,824	.0	(9,665)	.0	(9,665)	.0	117,159	.0	.0	.0	986	02/10/2051	1FM
071813-BL-2	BAXTER INTL INC		01/07/2014	VARIOUS		115,619	120,000	119,274	119,306	.0	.1	.0	.1	.0	119,307	.0	(3,688)	(3,688)	256	06/15/2023	1FE
091797-AN-0	BLACK & DECKER CORP		01/24/2014	CALLED @ 113.1800000 DEUTSCHE BANK SECURITIES		1,131,800	1,000,000	1,161,550	1,093,932	.0	(2,017)	.0	(2,017)	.0	1,091,915	.0	39,885	39,885	11,021	11/15/2016	1FE
096630-AC-2	BOARDWALK PIPELINES LP		02/13/2014	MCDONALD & COMPANY SECURI		155,192	175,000	174,953	174,957	.0	.0	.0	.0	.0	174,958	.0	(19,765)	(19,765)	3,230	02/01/2023	2FE
120568-AU-4	BUNGE LTD FIN CORP		01/30/2014	JEFFERIES & CO BONDS DIR		195,869	185,000	195,684	191,151	.0	(219)	.0	(219)	.0	190,932	.0	4,936	4,936	2,929	03/15/2016	2FE
120568-AV-2	BUNGE LTD FIN CORP		03/28/2014	PRINCIPAL RECEIPT		108,894	105,000	104,798	104,857	.0	.9	.0	.9	.0	104,867	.0	4,028	4,028	989	06/15/2017	2FE
12189P-AJ-1	BURLINGTON NORTH SF 2001-1		01/15/2014	MERRILL LYNCH PROFESSNL		75,983	75,983	77,577	76,458	.0	(475)	.0	(475)	.0	75,983	.0	.0	.0	2,556	07/15/2022	1FE
12189T-AA-2	BURLINGTON NORTHN SANTA FE CP		02/28/2014	C		638,125	500,000	637,310	635,526	.0	(1,391)	.0	(1,391)	.0	634,135	.0	3,990	3,990	7,778	12/15/2025	2FE
12189P-AG-7	BURLINGTON NORTHN SF RY PSTH CTF		01/15/2014	Sink PMT @ 100.0000000 GREENWICH CAPITAL MKTS, I		60,086	60,086	63,453	62,001	.0	(1,915)	.0	(1,915)	.0	60,086	.0	.0	.0	2,479	01/15/2021	1FE
125509-BT-5	CIGNA CORP		03/13/2014	PRINCIPAL RECEIPT		164,547	150,000	151,560	151,514	.0	(5)	.0	(5)	.0	151,509	.0	13,038	13,038	4,770	02/15/2042	2FE
12622D-AA-2	COMM 2010-C1 144A		03/12/2014	PRINCIPAL RECEIPT		10,825	10,825	11,248	11,168	.0	(343)	.0	(343)	.0	10,825	.0	.0	.0	60	07/12/2046	1FM
12624N-AA-8	COMM MTG TR 2012-LTRT 144A		03/07/2014	PRINCIPAL RECEIPT		32,673	32,673	33,752	33,637	.0	(964)	.0	(964)	.0	32,673	.0	.0	.0	122	10/07/2030	1FM
25272U-AA-9	DIAMOND RESORTS TR 144A		03/20/2014	MERRILL LYNCH PROFESSNL		20,395	20,395	20,391	20,430	.0	(35)	.0	(35)	.0	20,395	.0	.0	.0	60	05/20/2026	1FE
25468P-CV-6	DISNEY WALT CO MTNS BE		01/07/2014	C		197,748	200,000	198,578	198,881	.0	.5	.0	.5	.0	198,886	.0	(1,138)	(1,138)	232	12/01/2017	1FE
25755T-AC-4	DOMINOS PIZZA MSTR 2012-1 144A		01/25/2014	PRINCIPAL RECEIPT		1,406	1,406	1,465	1,455	.0	(49)	.0	(49)	.0	1,406	.0	.0	.0	.0	01/25/2042	4AM
27806Z-AD-6	EATON CORP PLC		02/05/2014	VARIOUS		71,501	75,000	74,774	74,775	.0	.1	.0	.1	.0	74,776	.0	(3,274)	(3,274)	792	11/02/2032	2FE
29364D-AJ-9	ENTERGY ARK INC		01/30/2014	C US BANCORP INVESTMENTS		1,001,000	1,000,000	1,004,270	1,004,241	.0	(9)	.0	(9)	.0	1,004,231	.0	(3,231)	(3,231)	10,325	06/01/2033	1FE
26884T-AH-5	ERAC USA FINANCE COMPANY 144A		03/20/2014	IN BANC AMERICA SECURITIES		48,020	50,000	49,844	49,860	.0	.3	.0	.3	.0	49,863	.0	(1,844)	(1,844)	717	10/15/2022	2FE
26884T-AK-8	ERAC USA FINANCE COMPANY 144A		03/10/2014	L DEUTSCHE BANK SECURITIES		25,507	25,000	24,963	24,966	.0	.1	.0	.1	.0	24,967	.0	540	540	257	11/01/2018	2FE
30219G-AF-5	EXPRESS SCRIPTS HLDG CO		02/18/2014	PRINCIPAL RECEIPT		312,811	305,000	314,215	313,356	.0	(117)	.0	(117)	.0	313,239	.0	(428)	(428)	6,146	02/15/2022	2FE
31331F-AX-9	FEDERAL EXPRESS 6.72%		01/15/2014	Sink PMT @ 100.0000000 DEUTSCHE BANK SECURITIES		48,759	48,759	54,787	51,920	.0	(3,161)	.0	(3,161)	.0	48,759	.0	.0	.0	1,638	01/15/2022	5AM
345397-VR-1	FORD MOTOR CREDIT CO LLC		03/26/2014	VARIOUS		628,408	550,000	611,111	609,457	.0	(1,723)	.0	(1,723)	.0	607,734	.0	20,674	20,674	21,083	02/01/2021	2FE
30290U-AJ-8	FREMF MTG TR 2012-K11 144A		03/26/2014	SALOMON SMITH BARNEY INC/		96,500	100,000	100,008	100,262	.0	(13)	.0	(13)	.0	100,249	.0	(3,749)	(3,749)	1,229	08/25/2045	1FE
30290X-AN-3	FREMF MTG TR 2013-K24 144A		03/10/2014	WACHOVIA SECURITIES CAPIT		52,203	55,000	53,987	54,062	.0	.15	.0	.15	.0	54,077	.0	(1,875)	(1,875)	546	11/25/2045	1FM
30291G-AN-9	FREMF MTG TR 2013-K27 144A		03/27/2014	MORGAN STANLEY & CO. INC		70,811	75,000	74,146	74,178	.0	.14	.0	.14	.0	74,192	.0	(3,381)	(3,381)	852	01/25/2046	1FM
30291H-AE-7	FREMF MTG TR 2013-K28		02/10/2014	GREENWICH CAPITAL MKTS, I DEUTSCHE BANK SECURITIES		116,177	125,000	112,701	113,223	.0	109	.0	109	.0	113,331	.0	2,846	2,846	874	06/25/2046	1FM
402524-AE-2	GULF SOUTH PIPELINE CO LP		02/13/2014	PRINCIPAL RECEIPT		183,762	185,000	186,706	186,559	.0	(19)	.0	(19)	.0	186,540	.0	(2,778)	(2,778)	1,316	06/15/2022	2FE
411707-AA-0	HARDEES FUND LLC 144A		03/20/2014	PRINCIPAL RECEIPT		1,219	1,219	1,227	1,216	.0	(7)	.0	(7)	.0	1,219	.0	.0	.0	14	03/20/2043	3AM
46186N-AA-6	INVITATION HOMES TR 2013 144A		03/19/2014	PRINCIPAL RECEIPT RAYMOND JAMES & ASSOCIATE		430	430	430	430	.0	.0	.0	.0	.0	430	.0	.0	.0	.1	12/19/2030	1FE
59217G-AY-5	METROPOLITAN LIFE GLOBAL FDG 144A		03/10/2014	PRINCIPAL RECEIPT		991,510	1,000,000	999,500	999,595	.0	.19	.0	.19	.0	999,613	.0	(8,103)	(8,103)	10,125	01/10/2018	1FE
59025W-AE-6	ML MTG TRUST 2008-C1		03/14/2014	PRINCIPAL RECEIPT		9,601	9,601	10,934	10,408	.0	(807)	.0	(807)	.0	9,601	.0	.0	.0	97	02/12/2051	1FM
553893-AA-6	MVII OWNER TRUST 2013-144A		03/20/2014	PRINCIPAL RECEIPT		7,035	7,035	7,034	7,047	.0	(12)	.0	(12)	.0	7,035	.0	.0	.0	21	04/22/2030	1FE
63946C-AD-0	NBCUNIVERSAL ENTERPRISE INC 144A		03/12/2014	VARIOUS		119,076	120,000	119,932	119,940	.0	.2	.0	.2	.0	119,942	.0	(866)	(866)	934	04/15/2019	1FE
641423-CA-4	NEVADA POWER CO		02/28/2014	GOLDMAN, SACHS & CO.		254,456	220,000	263,100	261,722	.0	(133)	.0	(133)	.0	261,590	.0	(7,133)	(7,133)	3,664	05/15/2041	1FE
649081-AA-4	NEW VALLEY GEN IV 2003-1		01/15/2014	Sink PMT @ 100.0000000		114,373	114,373	131,131	127,207	.0	(12,834)	.0	(12,834)	.0	114,373	.0	.0	.0	2,680	01/15/2022	1FE
64908Q-AA-9	NEW VALLEY GEN V 4.929%		01/15/2014	PRINCIPAL RECEIPT SALOMON SMITH BARNEY INC/		71,389	71,389	71,389	71,389	.0	.0	.0	.0	.0	71,389	.0	.0	.0	1,759	01/15/2021	1FE
65477L-AC-4	NISSAN AUTO RECV 2013-B		03/11/2014	PRINCIPAL RECEIPT		115,449	115,000	114,975	114,980	.0	.2	.0	.2	.0	114,982	.0	.467	.467	239	11/15/2017	1FE

STATEMENT AS OF MARCH 31, 2014 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	For-ign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recogn-ized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Con-tractual Maturity Date	NAIC Desig-nation or Market In-dicator (a)
62944T-AE-5	NVR INC		03/28/2014	VARIOUS		203,108	205,000	207,425	207,289	.0	(56)	.0	(56)	.0	207,232	.0	(4,124)	(4,124)	4,409	09/15/2022	2FE
68268N-AK-9	ONEOK PARTNERS LP		02/28/2014	VARIOUS		36,399	35,000	35,127	35,122	.0	(4)	.0	(4)	.0	35,119	.0	1,280	1,280	538	09/15/2018	2FE
695156-AQ-2	PACKAGING CORP AMER		03/06/2014	BANC AMERICA SECURITIES L		93,072	90,000	89,762	89,765	.0	.3	.0	.3	.0	89,769	.0	3,303	3,303	1,564	11/01/2023	2FE
74251V-AD-4	PRINCIPAL FINL GROUP INC		03/11/2014	SECURI		193,037	150,000	196,694	187,330	.0	(1,225)	.0	(1,225)	.0	186,105	.0	6,932	6,932	4,401	05/15/2019	2FE
81745B-AA-3	SEQUOIA MTG TR 2013-6		03/25/2014	PRINCIPAL RECEIPT		3,164	3,164	3,148	3,149	.0	.16	.0	.16	.0	3,164	.0	.0	.0	.8	05/25/2043	1FML
81745C-AB-9	SEQUOIA MTG TR 2013-7		03/25/2014	PRINCIPAL RECEIPT		946	946	952	951	.0	(6)	.0	(6)	.0	946	.0	.0	.0	.4	06/25/2043	1FML
82651Y-AA-3	SIERRA RECEIVABLES FDG 144A		03/20/2014	PRINCIPAL RECEIPT		12,323	12,323	12,321	12,342	.0	(19)	.0	(19)	.0	12,323	.0	.0	.0	.72	11/20/2029	1FE
82652B-AA-2	SIERRA RECEIVABLES FDG 144A		03/20/2014	PRINCIPAL RECEIPT		24,806	24,806	24,900	24,930	.0	(124)	.0	(124)	.0	24,806	.0	.0	.0	.72	11/20/2025	1FE
82650H-AA-1	SIERRA RECEIVABLES FDG 2013-3 144A		03/20/2014	PRINCIPAL RECEIPT		21,919	21,919	21,913	21,955	.0	(35)	.0	(35)	.0	21,919	.0	.0	.0	.62	10/20/2030	1FE
857477-AL-7	STATE STR CORP		03/06/2014	MORGAN STANLEY & CO. INC		132,514	140,000	138,445	138,523	.0	24	.0	24	.0	138,547	.0	(6,033)	(6,033)	1,398	05/15/2023	1FE
872312-AA-1	TOM SUB LLC		03/13/2014	WACHOVIA SECURITIES		158,729	155,000	164,585	158,663	.0	(701)	.0	(701)	.0	157,963	.0	767	767	3,714	01/15/2015	2FE
87875U-AK-8	TECO FIN INC		03/05/2014	CAPIT		648,115	580,000	663,352	647,392	.0	(1,763)	.0	(1,763)	.0	645,530	.0	2,585	2,585	14,520	03/15/2020	2FE
881561-XJ-8	TERWIN MTG TR 2005-14HE		03/25/2014	BARCLAYS CAPITAL INC		857	857	848	851	.0	.6	.0	.6	.0	857	.0	.0	.0	.3	08/25/2036	1FML
88732J-AN-8	TIME WARNER CABLE INC		02/14/2014	PRINCIPAL RECEIPT		563,274	450,000	458,975	458,934	.0	(16)	.0	(16)	.0	458,918	.0	104,356	104,356	20,896	07/01/2038	2FE
88732J-AS-7	TIME WARNER CABLE INC		03/04/2014	MORGAN STANLEY & CO. INC		345,463	275,000	330,630	309,540	.0	(1,005)	.0	(1,005)	.0	308,535	.0	36,929	36,929	9,831	04/01/2019	2FE
88732J-AU-2	TIME WARNER CABLE INC		03/03/2014	MORGAN STANLEY & CO. INC		653,048	550,000	519,662	519,866	.0	.72	.0	.72	.0	519,938	.0	133,110	133,110	8,353	06/15/2039	2FE
907833-AF-4	UNION PACIFIC RR		01/02/2014	Sink PMT @ 100.0000000		68,216	68,216	68,216	68,216	.0	.0	.0	.0	.0	68,216	.0	.0	.0	2,336	01/02/2019	1FE
907833-AH-0	UNION PACIFIC RR		01/02/2014	Sink PMT @ 100.0000000		26,797	26,797	26,949	26,887	.0	(90)	.0	(90)	.0	26,797	.0	.0	.0	1,018	01/02/2020	1FE
907833-AJ-6	UNION PACIFIC RR CO 2000-1		01/10/2014	PRINCIPAL RECEIPT		29,237	35,703	31,952	29,237	.0	(2,715)	.0	(2,715)	.0	29,237	.0	.0	.0	1,169	01/10/2021	1FE
90783X-AA-9	UNION PACIFIC RR CO 2007-3		01/19/2014	PRINCIPAL RECEIPT		19,245	19,245	19,245	19,245	.0	.0	.0	.0	.0	19,245	.0	.0	.0	594	01/02/2031	1FE
91324P-BU-5	UNITEDHEALTH GROUP INC		03/11/2014	STERNE, AGEE & LEACH, INC		83,471	85,000	87,664	87,584	.0	(10)	.0	(10)	.0	87,574	.0	(4,103)	(4,103)	1,300	11/15/2041	1FE
92344S-AK-6	VERIZON WIRELESS CAP LLC		03/30/2014	VARIOUS		216,759	170,000	219,307	214,986	.0	(2,013)	.0	(2,013)	.0	212,972	.0	3,787	3,787	5,221	11/15/2018	1FE
948741-AJ-2	WEINGARTEN RLTY INVS		01/07/2014	VARIOUS		166,451	180,000	177,313	177,450	.0	.4	.0	.4	.0	177,454	.0	(11,002)	(11,002)	1,488	04/15/2023	2FE
94974B-FG-0	WELLS FARGO CO MTN BE		03/24/2014	MERRILL LYNCH PROFESSNL		992,000	1,000,000	1,006,300	1,005,392	.0	(299)	.0	(299)	.0	1,005,093	.0	(13,093)	(13,093)	10,458	01/16/2018	1FE
96332H-CF-4	WHIRLPOOL CORP SERA MTN BE		02/06/2014	VARIOUS		197,277	200,000	200,290	200,237	.0	(2)	.0	(2)	.0	200,235	.0	(2,957)	(2,957)	3,250	03/01/2023	2FE
969457-BU-3	WILLIAMS COS INC DEL		02/04/2014	MILLENNIUM ADVISORS, LLC		135,845	150,000	150,493	150,449	.0	(4)	.0	(4)	.0	150,444	.0	(14,600)	(14,600)	3,114	01/15/2023	2FE
98158V-AC-9	WORLD OMNI AUTO LEASE 2012-A		03/15/2014	PRINCIPAL RECEIPT		12,851	12,851	12,850	12,853	.0	(1)	.0	(1)	.0	12,851	.0	.0	.0	20	11/16/2015	1FE
87425E-AM-5	TALISMAN ENERGY INC	I	02/06/2014	CREDIT SUISSE FIRST BOSTO		109,099	110,000	109,544	109,618	.0	.4	.0	.4	.0	109,622	.0	(523)	(523)	2,148	02/01/2021	2FE
05574L-PT-9	BNP PARIBAS / BNP PARIBAS US	R	01/07/2014	BNP PARIBAS SECURITIES BO		184,077	180,000	179,665	179,689	.0	.1	.0	.1	.0	179,690	.0	4,387	4,387	1,877	08/20/2018	1FE
24668P-AB-3	DELHAIZE GROUP SA	R	03/18/2014	SEAPORT GROUP SECURITIES		176,571	155,000	179,388	171,753	.0	(982)	.0	(982)	.0	170,771	.0	5,800	5,800	2,687	06/15/2017	2FE
46132F-AB-6	INVESCO FIN PLC	R	03/26/2014	SALOMON SMITH BARNEY INC/		106,931	105,000	104,248	104,257	.0	.14	.0	.14	.0	104,271	.0	2,660	2,660	1,602	01/30/2024	1FE
50247V-AA-7	LYB INTERNATIONAL FINANCE B.V.	R	03/28/2014	GOLDMAN, SACHS & CO.		50,888	50,000	49,339	49,364	.0	.13	.0	.13	.0	49,378	.0	1,510	1,510	1,417	07/15/2023	2FE
66711K-AA-3	ODEBRECHT OFFSHORE DRILLING	R	03/01/2014	PRINCIPAL RECEIPT		2,340	2,340	2,387	2,387	.0	(1)	.0	(1)	.0	2,386	.0	(46)	(46)	.41	10/01/2022	2FE
69353U-AB-7	PPL WEM HOLDINGS PLC	R	01/30/2014	BARCLAYS CAPITAL INC		581,207	550,000	581,511	568,753	.0	(629)	.0	(629)	.0	568,124	.0	13,083	13,083	5,541	05/01/2016	2FE
78009P-CC-3	ROYAL BK OF SCOTLAND PLC	R	01/22/2014	CHASE SECURITIES, INC.		561,309	525,000	523,976	524,520	.0	.12	.0	.12	.0	524,532	.0	36,777	36,777	8,358	03/16/2016	1FE
85771P-AR-3	STATOIL ASA	R	02/28/2014	BNY CAPITAL MARKETS, INC		145,931	145,000	144,794	144,800	.0	.6	.0	.6	.0	144,806	.0	1,125	1,125	.919	11/08/2018	1FE
87938W-AN-3	TELEFONICA EMISIONES S A U	R	03/13/2014	RBC CAPITAL MARKETS CORP		409,461	390,000	388,894	390,595	.0	(61)	.0	(61)	.0	390,534	.0	18,927	18,927	9,168	02/16/2016	2FE
893830-BD-0	TRANSOCEAN INC	R	03/19/2014	VARIOUS		70,618	70,000	70,111	70,091	.0	(5)	.0	(5)	.0	70,086	.0	533	533	.736	10/15/2017	2FE
893830-AS-8	TRANSOCEAN SEDCO FOREX INC	R	01/14/2014	BARCLAYS CAPITAL INC		73,345	65,000	73,673	72,881	.0	(64)	.0	(64)	.0	72,817	.0	528	528	1,322	03/15/2018	2FE
92857W-BA-7	VODAFONE GROUP PLC NEW	R	03/26/2014	CALLED @ 100.7030000		2,014,060	2,000,000	2,003,620	.0	(180)	.0	.0	(180)	.0	2,003,440	.0	10,620	10,620	1,850	02/19/2016	1FE
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					17,088,612	16,202,257	16,964,229	14,786,318	10	(47,563)	0	(47,553)	0	16,742,384	0	346,233	346,233	241,875	XXX	XXX

STATEMENT AS OF MARCH 31, 2014 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident- ification	Description	For- eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid- eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor- tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog- nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received DuringYear	Stated Con- tractual Maturity Date	NAIC Desig- nation or Market In- dicator (a)
8399997. Total - Bonds - Part 4						98,028,652	98,254,950	97,981,412	58,553,882	10	(538,557)	0	(538,547)	0	97,236,647	0	792,011	792,011	885,679	XXX	XXX
8399998. Total - Bonds - Part 5						XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8399999. Total - Bonds						98,028,652	98,254,950	97,981,412	58,553,882	10	(538,557)	0	(538,547)	0	97,236,647	0	792,011	792,011	885,679	XXX	XXX
8999997. Total - Preferred Stocks - Part 4						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
8999998. Total - Preferred Stocks - Part 5						XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8999999. Total - Preferred Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
921909-82-6	VANGUARD DEVELOPED MKTS INDEX INST .....		01/08/2014	VANGUARD GROUP .....	660,792,952	7,500,000		5,336,315	7,579,295	(2,242,980)	0	0	(2,242,980)	0	5,336,315	0	2,163,685	2,163,685	0		
922040-10-0	VANGUARD INSTITUTIONAL INDEX FUND .....		01/08/2014	VANGUARD GROUP .....	44,547,398	7,500,000		5,197,877	7,540,984	(2,343,107)	0	0	(2,343,107)	0	5,197,877	0	2,302,123	2,302,123	0		
9299999. Subtotal - Common Stocks - Mutual Funds						15,000,000	XXX	10,534,192	15,120,279	(4,586,087)	0	0	(4,586,087)	0	10,534,192	0	4,465,808	4,465,808	0	XXX	XXX
9799997. Total - Common Stocks - Part 4						15,000,000	XXX	10,534,192	15,120,279	(4,586,087)	0	0	(4,586,087)	0	10,534,192	0	4,465,808	4,465,808	0	XXX	XXX
9799998. Total - Common Stocks - Part 5						XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
9799999. Total - Common Stocks						15,000,000	XXX	10,534,192	15,120,279	(4,586,087)	0	0	(4,586,087)	0	10,534,192	0	4,465,808	4,465,808	0	XXX	XXX
9899999. Total - Preferred and Common Stocks						15,000,000	XXX	10,534,192	15,120,279	(4,586,087)	0	0	(4,586,087)	0	10,534,192	0	4,465,808	4,465,808	0	XXX	XXX
9999999 - Totals						113,028,652	XXX	108,515,604	73,674,161	(4,586,077)	(538,557)	0	(5,124,634)	0	107,770,839	0	5,257,819	5,257,819	885,679	XXX	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues.....0

Schedule DB - Part A - Section 1 - Options, Caps, Floors, Collars, Swaps and Forwards Open  
**N O N E**

Schedule DB - Part B - Section 1 - Futures Contracts Open  
**N O N E**

Schedule DB - Part B - Section 1B - Brokers with whom cash deposits have been made  
**N O N E**

Schedule DB - Part D - Section 1 - Counterparty Exposure for Derivative Instruments Open  
**N O N E**

Schedule DB - Part D-Section 2 - Collateral for Derivative Instruments Open - Pledged By  
**N O N E**

Schedule DB - Part D-Section 2 - Collateral for Derivative Instruments Open - Pledged To  
**N O N E**

Schedule DL - Part 1 - Reinvested Collateral Assets Owned  
**N O N E**

Schedule DL - Part 2 - Reinvested Collateral Assets Owned  
**N O N E**

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1	2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
					6	7	8	
					First Month	Second Month	Third Month	
Depository	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date				*
SunTrust Bank ..... Nashville, TN .....		0.000	0	0	(48,845,607)	(50,092,066)	(55,532,080)	XXX
Bank of New York Mellon ..... Pittsburgh, PA .....		0.000	0	0	(187)	(189,134)	(2,775,741)	XXX
Wells Fargo Bank ..... Roanoke, VA .....		0.000	0	0	(59,230,699)	(61,022,212)	(54,530,566)	XXX
Bank of America ..... Baltimore, MD .....		0.000	0	0	743	727	727	XXX
0199998. Deposits in ... 0 depositories that do not exceed the allowable limit in any one depository (See instructions) - Open Depositories	XXX	XXX	0	0	0	0	0	XXX
0199999. Totals - Open Depositories	XXX	XXX	0	0	(108,075,750)	(111,302,685)	(112,837,660)	XXX
0299998. Deposits in ... 0 depositories that do not exceed the allowable limit in any one depository (See instructions) - Suspended Depositories	XXX	XXX	0	0	0	0	0	XXX
0299999. Totals - Suspended Depositories	XXX	XXX	0	0	0	0	0	XXX
0399999. Total Cash on Deposit	XXX	XXX	0	0	(108,075,750)	(111,302,685)	(112,837,660)	XXX
0499999. Cash in Company's Office	XXX	XXX	XXX	XXX	0	0	0	XXX
0599999. Total - Cash	XXX	XXX	0	0	(108,075,750)	(111,302,685)	(112,837,660)	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due and Accrued	Amount Received During Year
NONE							
8699999 - Total Cash Equivalents							



SUPPLEMENT FOR THE QUARTER ENDING MARCH 31, 2014 OF THE Group Hospitalization & Medical Services, Inc.

MEDICARE PART D COVERAGE SUPPLEMENT

(Net of Reinsurance)

NAIC Group Code 0380

NAIC Company Code 53007

	Individual Coverage		Group Coverage		5
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	Total Cash
1. Premiums Collected .....	1,822,489	XXX	0	XXX	1,822,489
2. Earned Premiums .....	1,822,489	XXX	0	XXX	XXX
3. Claims Paid .....	1,748,277	XXX	0	XXX	1,748,277
4. Claims Incurred .....	1,654,049	XXX	0	XXX	XXX
5. Reinsurance Coverage and Low Income Cost Sharing - Claims Paid Net of Reimbursements Applied (a) .....	XXX	0	XXX	0	0
6. Aggregate Policy Reserves - Change .....	0	XXX	0	XXX	XXX
7. Expenses Paid .....	376,722	XXX	0	XXX	376,722
8. Expenses Incurred .....	376,722	XXX	0	XXX	XXX
9. Underwriting Gain or Loss .....	(208,282)	XXX	0	XXX	XXX
10. Cash Flow Result .....	XXX	XXX	XXX	XXX	(302,510)

(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$ 0 due from CMS or \$ 0 due to CMS